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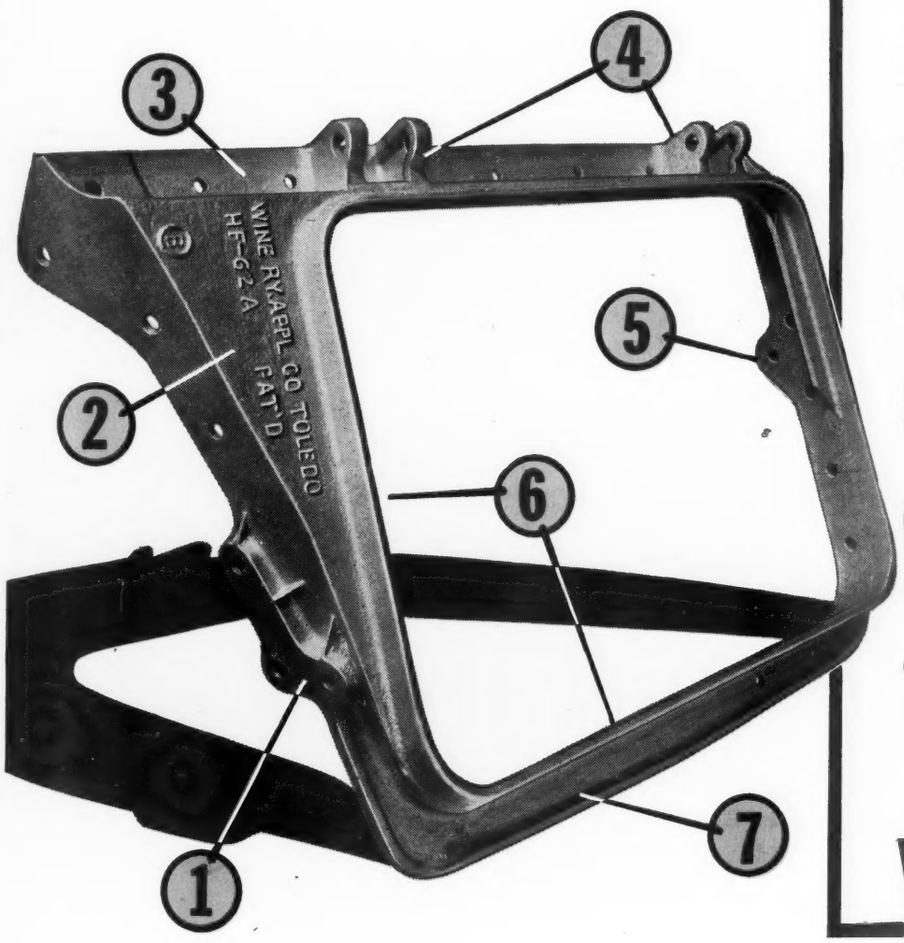

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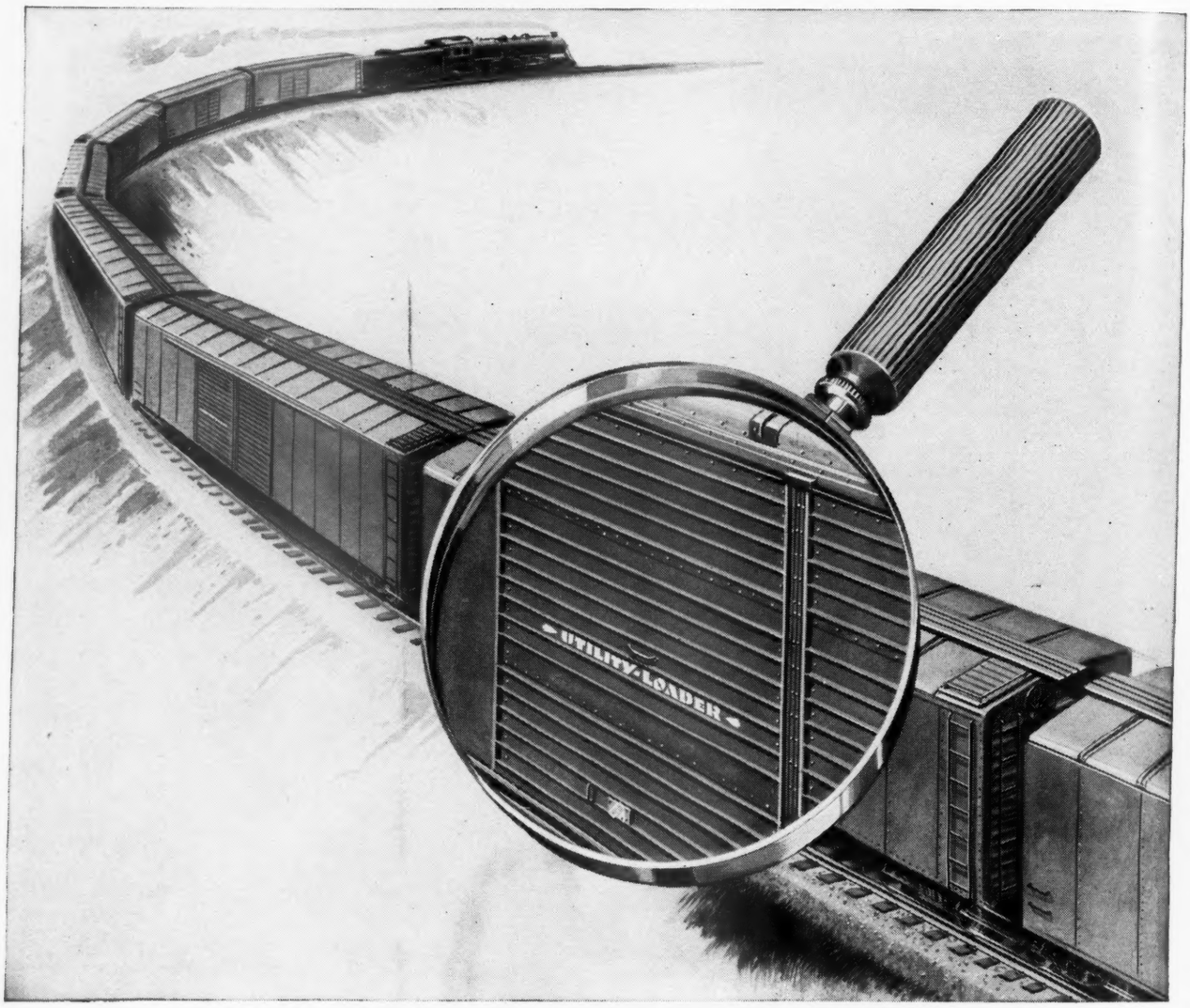

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How Fix Reasonable Wages?

The General Motors Corporation has rendered a great service to labor, business and the public by refusing to yield, in fact or in principle, to the labor union demand that the wages of its employees be based on the corporation's "ability to pay"—i. e., on its profits.

Seven Forgotten Factors

It seems to have been generally forgotten, even in the highest places in Washington, that Congress once set forth in a law the elements and factors that should be considered by a government board "in determining the justness and reasonableness of wages . . . and working conditions." This was done in the section of the Transportation Act 1920 creating the Railroad Labor Board, which said: "The board shall, so far as applicable, take into consideration among other relevant circumstances: (1) The scales of wages paid for similar kinds of work in other industries; (2) the relation between wages and the cost of living; (3) the hazards of the employment; (4) the training and skill required; (5) the degrees of responsibility; (6) the character and regularity of the employment; and (7) inequalities of increase in wages or of treatment, the result of previous wage orders or adjustments."

No doubt "ability to pay" was one of the "other relevant circumstances" which Congress meant should be considered. It could hardly have intended the Railroad Labor Board to fix wages wholly regardless of the railroad industry's ability to pay them. But the fact that it specifically mentioned seven factors that should be considered, and did not thus mention ability to pay, is conclusive evidence that it intended that the factors that it did specifically mention should be given paramount consideration.

All Parties in Peril

The position taken by General Motors has been a courageous stand for retention of the principles of "the price system"—otherwise known as "market economy" or "capitalism" or "competitive private enterprise"—in the relationship between industry and labor. In opposing the demands of the striking C. I. O. union, and of the government, that it submit to a "fact-finding" board evidence of its earnings as a guide to its "ability to pay" higher wages, the corporation has served the ultimate interests of labor as well as its own—because general enforcement of the "ability to pay" principle as a major factor in wage determination by political authorities would subject wage rates to intolerable fluctuations, and would also result in equally intolerable differentials between the wages paid for similar work by competing companies engaged in the same line of business but having widely differing profits.

"Ability to pay" is an unavoidable consideration for management to bear in mind at the bargaining table, just as "minimum subsistence" is a parallel limitation which union negotiators are bound to observe in their bargaining. But such concerns, which are peculiar to the self-interest of the parties in wage discussions, can become controlling factors in decisions by intervening governmental authority only to the great peril of the parties to the dispute, and to the even greater peril of "the price system" and a free and prosperous economy.

Some Questions Are Answered

In an advertisement appearing in the daily newspapers, General Motors has asked—

> "Is American business in the future, as in the past, to be conducted as a competitive system? Or is the determination of the essential economic factors, such as costs, prices, profits, etc., upon which business success and progress depend, to be made politically by some governmental agency instead of by the management, appointed by the owners of the business for that purpose?"

and again—

> "Do you subscribe to the belief that you should pay for what you buy or the services you use on the basis of your financial resources? It is clear that this is the principle involved (in the C. I. O. and government demand for earnings data)."

The questions propounded in the first quotation must be answered in the affirmative, if the nation is to continue to operate economically by the means which have enabled it to attain the highest living standards on earth. That is to say, wages must be established by genuine bargaining (i. e., without coercion, or governmental favoritism to either side); and prices and profits must be established by the forces of competition, without the government's arbitrarily stepping in to make some of them high or low, thereby thwarting the *automatic forces* of demand and supply, which must be allowed to work

if the country is to be prosperous and unregimented. *Prices must not lie,* or the economy will go hay-wire.

Another Opportunity for the Industry

For the good of the country, it is fortunate that the automotive industry, as represented by its largest firm, so thoroughly understands, and is willing to fight for, principles of a free market economy, where the wages and prices of the industry are concerned. It is unfortunate that when the issue of use of the highways for commercial transportation is raised, those who make and operate highway vehicles seem to have less clear convictions regarding the principles of the "market economy" and the "price system." In a recent statement of policy, the National Highway Users Conference insisted that "the general welfare, delivery of the mail and interstate commerce obligate the federal government to contribute to the cost of highways from sources of general taxation." What this plainly means is that users of the highways for commercial purposes should be subsidized, and thus enabled to charge prices —i. e., rates—less than the total costs of their service—a policy which, if applied generally in industry, would destroy all price-fixing by equal competition.

Business should learn some time that it cannot effectively defend free enterprise as long as important segments of business continue to advocate whatever socialistic policies they believe will benefit them.

Profitable War-time Lessons

To deal with the swollen volume of war traffic the railroads were forced to adopt many expedients, some of which were uneconomical and should be abandoned now that the war is over. On the other hand, necessity gave rise to some operating methods which may be profitably continued in peace-time. Cooperative plans which helped to handle the large volume of war business may be equally helpful in promoting the economy and improved service necessary to meet post-war competition.

For example, the port of Seattle, Wash., was extremely busy in handling shipments to the Pacific. The extensive facilities of this port are divided into four zones, each of which is served by the four railways entering Seattle. The Army established a huge depot and transshipping facility at Auburn, Wash., some 25 miles from Seattle. Under the normal arrangement, the line involved in the transcontinental haul to Auburn would have, under the rules, handled the shipment from Auburn to Seattle, regardless of the port zone to which it was destined. Upon arrival at Seattle the shipment would have had to be switched to the line serving the zone of its destination.

This would have involved a great deal of unnecessary interchange and, in fact, there is little doubt that, under peace-time rules, such handling would have blocked the port of Seattle. The railways agreed, therefore, that, regardless of which line made the transcontinental haul, the shipments were to be hauled from Auburn to Seattle by the line serving the zone to which such shipments were destined. This saved an incalculable amount of switching and helped keep transportation fluid through the port of Seattle throughout the war.

This cooperative arrangement was necessitated by special circumstances which are unlikely to persist in peace-time. Terminal delay is, nevertheless, one of the principal complaints of shippers, and the avoidance of unnecessary switching through co-operative agreements should afford a peace-time incentive to such arrangements, equivalent to that enforced by the pressure of traffic on facilities in war-time. This observation is applicable, obviously, to many places besides Seattle.

A Big Return

It is gratifying to note that the budget request of the Engineering division, Association of American Railroads, for research work in 1946, calling for a substantially larger sum that has been spent in any previous year, has been approved without modification. Exclusive of funds to be used for administrative purposes, the 1946 budget amounts to $142,418, which compares with $127,081 authorized for 1945. Embodied in the new budget are allotments for 18 separate research projects. Six of these will each entail an expenditure of $10,000 or more. They include the investigations on relationship between track and equipment ($25,000), bridge impact ($16,000), roadbed stabilization ($15,000), rail design ($15,000), engine driver burns ($11,000), and stresses in tie plates ($10,000).

Approval of the 1946 research budget assures the continuance on an expanded scale of a form of activity the investment in which is already producing substantial returns in savings through better materials and improved design and practices. An outstanding example is the Rails Investigation, which established beyond question that shatter cracks are the primary cause of transverse fissures, and that they can be eliminated by subjecting the rails to controlled cooling procedures at the mills.

Many thousands of miles of track have been laid with rail so treated, and experience has shown that this rail is not only practically free of transverse fissures caused by shatter cracks, but that it is less apt to develop failures of certain other types.

Another example of the practical value of the research activities of the Engineering division is to be found in the results of a comprehensive investigation of impact on short-span steel bridges. Careful tests made during this investigation developed the fact that the impact values for such bridges are generally lower than had been supposed, with the result that considerable savings in steel can be realized when bridge-design formulas are used which give effect to these lower impact values. In fact, one railroad expects to make a saving of approximately $80,000 during 1946 alone by taking into consideration these lower impact values when figuring upon the steel beams to be used in a program of trestle renewals, where the beams will replace wood stringers.

Substantial savings have already been achieved, and further savings can be expected to accrue, as the result of the series of counterbalance tests of locomotives that have been made a part of the inquiry into the relationship between track and equipment. The end-product

of these tests is the 30-page A. A. R. Manual of Counterbalance for Reciprocating Locomotives, in which principles are set forth, based on the findings of the investigation, for designing reciprocating parts in such manner as to minimize the destructive pounding effect of this type of locomotive on tracks and structures.

Aside from the research projects that have been completed, the results of which are already in practical use, others are under way which are certain ultimately to point the way to additional improvements in design, in materials and in methods. The amount of money being expended in this research program is nominal indeed compared with the returns already being realized and in prospect.

Expensive Variety

The mere mention of the word "standardization" in connection with passenger cars seems to bring to many responsible railroad officers visions of cars having a sameness of construction, outward appearance, and interior arrangement that precludes meeting the particular needs of individual railroads. This reaction may arise from the use of the term "standardization" in the automobile industry, where it signifies that each car of one standard model is identical, except for possible changes in color schemes, with the thousands of other units rolling off the same assembly line.

This extreme does not, however, appear to be the meaning given to the word by the railroad car builders, who have a unanimity of opinion, as disclosed at the recent annual meeting of the American Society of Mechanical Engineers, on the desirability of a limited degree of standardization which will not stifle progress. F. L. Murphy, chief engineer, Pullman-Standard Car Manufacturing Company, expressed this position concisely when he said, "The railroads can now help themselves and the industry if they would allow a little more leeway by permitting the use of some of the carbuilder's standard features of construction rather than the railroads specifying every detail as to just how a battery box, the door, or the floor is to be made. Standardization of this type will save both time and money and will still permit tailoring of the car to suit the requirements that are determined by the traffic conditions in which the cars are to operate." The statement seems so logical and reasonable that it is difficult to understand why there should be any hesitancy in preparing specifications flexible enough to take advantage of such opportunities to save time and money.

If the use of certain standard parts will result in the reduction in construction time and costs, it is also very likely that a more important contribution—the reduction in maintenance time and costs—could be made by a further standardization of those items that require periodical attention and occasional replacement. Some diversity in equipment is necessary, but it is the differences in dimensions and proportions in equipment performing the same function that create headaches for maintenance men and also cost time and money. H. F. McCarthy, executive assistant to the president, New York, New Haven & Hartford, at the same A. S. M. E. meeting said, "Profitable passenger operations in future years will result from low maintenance costs, for the advancing costs of labor must be overcome in the design stage."

Wherever practicable, the application of standardization principles has been determined to be one method of reducing maintenance costs.

An automobile owner, unless he has more money than sense, accepts the possibility of his neighbor's having an exact duplicate of his car because he knows that duplication permits a lower first cost, keeps down maintenance expense, and may save valuable time when parts are needed for repairs. Custom-built automobiles are costly and require custom-built replacement parts at custom-built prices. As variety in railway passenger cars can be expensive for the same reasons, it would be worthwhile studying the possibilities of standardizations that do not "stifle progress," that help to "minimize maintenance man-hours," and that can also be "tailored" to the traffic conditions for which they are designed.

How to Repel Traffic

That the railroads and their employees—while certainly convinced in a general way that courtesy to the traveling public is a prime requisite to the carriers' well-being—have still some distance to go in translating wholesome principles into habitual practice is evidenced by two recent instances from widely separated parts of the country.

The first occurred in a large Eastern terminal. It involved a telephone conversation between a uniformed subordinate and his superior, during which the foulest profane language was used. Subsequently one of the parties to this talk entered into a lengthy and equally profane discussion of his superior with another uniformed employee. Both the original telephone conversation and the following discussion were carried on in the midst of a crowded waiting room within earshot of hundreds of waiting passengers, some of whom were plainly annoyed.

The second instance occurred at a terminal in the midwest. Bitter cold weather had badly disrupted train operations and all departing trains were delayed in placement in the station for loading. Because of these conditions it became necessary to load simultaneously from adjacent tracks served by the same platform both a suburban train and a long-haul train. Notwithstanding the likelihood of confusion, leading to passengers boarding the wrong train, not a single announcement was heard from either train crew as to the destination of their respective trains. The result was that six long-distance passengers were found on the suburban train after it had left the station and an unscheduled stop had to be made at the first station to discharge them. Whether they succeeded later in boarding the proper train was not noted, but, if they did, they still suffered considerable unnecessary inconvenience.

There are few railroad men who have not, by reason of some grievance no worse than either of these, taken their patronage away from some business establishment. There is no reason to suppose that passengers, once alternative means of travel are available, will not behave similarly.

The main spans of the Illinois Central's Ohio river bridge at Cairo, Ill.

Solves Problems on Its Cairo Bridge

Illinois Central lays continuous welded rails on river spans to eliminate rail batter, and uses Fabreeka pads to stop tie plate cutting and wide gage on long approach curve

LESS than a year and one-half ago, the Illinois Central was confronted with two increasingly serious track problems on its long multiple-span high-level, single-track bridge over the Ohio river at Cairo, Ill. Today, as the result of the adoption of two expedients about 16 months ago, both of these problems appear to have been solved.

One of the problems, which was confined primarily to the bridge proper, was the pounding of wheel loads at the rail ends on the different spans. The other problem, which was confined to the long curved south viaduct approach to the river spans, was the severe and uneven cutting of the tie plates into the bridge ties, which was not only destroying the ties prematurely, but, of more immediate consequence, was bringing about an increasingly serious wide-gage condition on the curve.

The first of these problems was overcome by replacing the old 90-lb., 39-ft. rails on the river spans with a series of continuous pressure butt-welded rails of 112-lb. section, in lengths up to 1,058 ft., separated by switch-point-type expansion joints to take care of expansion and contraction in the various spans. The tie-cutting and wide-gage problem on the south approach was overcome by first re-establishing the level tie-plate seats on the ties by mechanical adzing, and then by inserting "Fabreeka" pads between the tie plates and the ties before the rail was set back into place. The rails on the south approach are held in GEO-type track construction, in which

the tie plates are secured to the ties by lag screws, a form of construction used in the south approach track for nine years prior to the recent work.

Since the installation of the continuous rail on the river spans, the rail-end batter has been eliminated, and following the insertion of the Fabreeka pads on the south approach, both tie-plate cutting and the resulting gage-widening have, for all practical purposes, been stopped.

River Spans 4,393 Ft. Long

The Cairo bridge, which connects the lines of the Illinois Central north and south of the Ohio river, and extends between Illinois and Kentucky, is an eleven-span truss structure, with nine main through-truss river spans and two flanking deck-truss spans at the ends. Of the through spans, seven are 400 ft. long and two are approximately 518 ft. long. With the end deck-truss spans, each of which is 250 ft. long, the structure as a whole has a length of 4,393 ft. Throughout its length the bridge proper is on a level grade.

Beyond the north-end (timetable direction) deck-truss span, the bridge is approached over a long double-track embankment on a curve from the north, extending to a double-track span of 50-ft. girders and 250 ft. of single-track girder viaduct, the single track beginning at a point called Illinois Junction, and extending continuously to the south end of the bridge. At its south end, the bridge is reached over a long deck-plate girder viaduct on a curve from the south, with an overall length of 3,424 ft., as will be described later.

Long Rails Laid on Bridge

The laying of long lengths of continuous butt-welded rail on the river spans to overcome rail-end batter was carried out entirely independently of the work on the south approach. In the relay operation, new controlled-cooled, 112-lb. RE rail, with beveled ends, was installed on double-shoulder tie plates, and was single-spiked, whereas the old 90-lb. rail was supported on single-shoulder plates, likewise single-spiked. Altogether, 16 continuous rails were laid on the bridge, ranging in length from 487 ft. to 1,058 ft. 6 in., the various lengths being determined by the arrangement of fixed and expansion shoes supporting the various spans, and by the arrangement of signal block joints on the bridge. Altogether, a total of 202 rail welds were involved.

Six expansion joints were provided in each line of rails across the 4,393-ft. length of the bridge, each of these being of the switch-point type and involving a 16-ft. 6-in. switch point, a 39-ft. stock rail, and the usual arrangement of plates and braces. Each of these points provides for the maximum possible adjustment in rail and span lengths due to temperature changes.

Conditions at both ends of the bridge being unsuited for carrying out the rail welding, it was decided to do this work in a small, little-used yard at Mounds, Ill., about six miles north of the bridge. Here all of the welding was done, employing equipment of the Oxweld Railroad Service Company, and under the supervision of this company.

The 16 continuous rails called for on the bridge, which were produced in two groups of eight each, were of varying lengths, worked out on the basis of laying them consecutively across the bridge from north to south. As each of the first eight long rails was completed, it was lined over directly onto skid ties to be used subsequently in moving the rails to the bridge. The next eight lengths of continuous rails were then produced and were lined over onto temporary tie blocking on an adjacent yard track.

Skidded for Six Miles

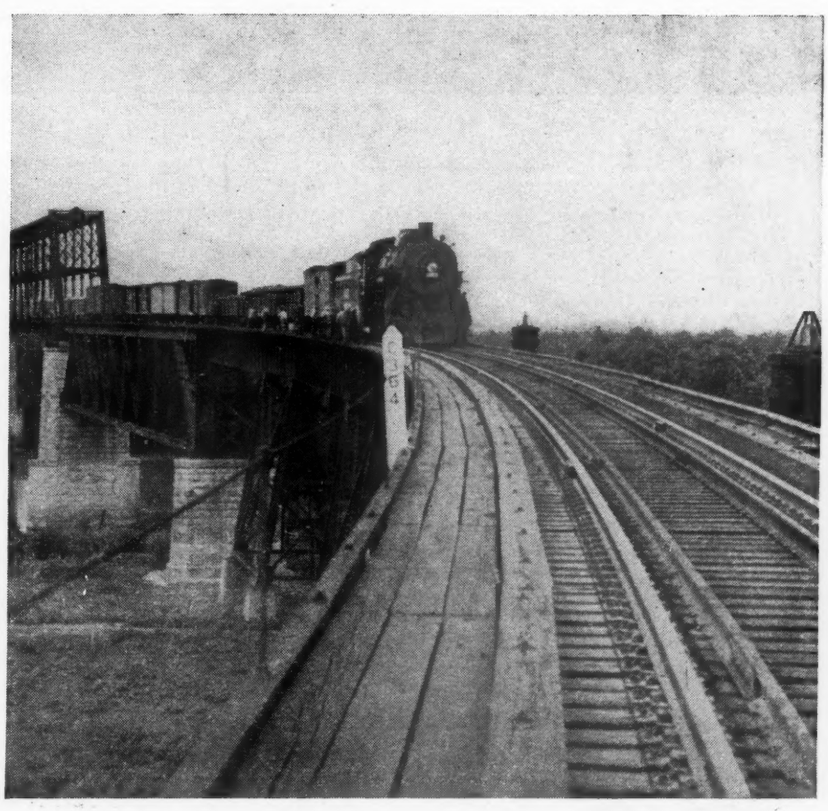
The rails were hauled to the bridge, eight at a time, supported on the skid ties, by a steam locomotive. The skid ties were ordinary crossties, spaced from 20 to 50 ft. apart, and each was equipped on its bottom face with two skid plates, provided with lugs 3 in. long by ½ in. deep, welded in place, to act as flanges in guilding the ties along the track.

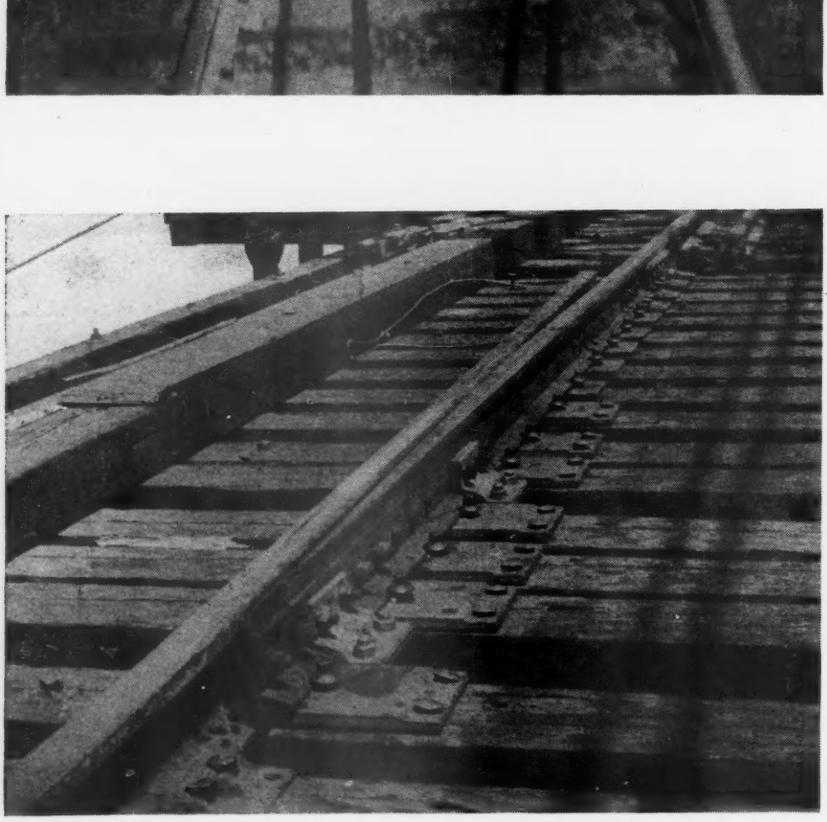
Both moves of eight rails each were made without difficulty, through the yard switches and out on the main line. The first pull required movement through two No. 10 turnouts, while the second pull required movement through one No. 8 turnout and two No. 10 turnouts. On the main line, the pulls had to be made around curves up to 5 deg. and up the north bridge approach grade of 0.4 per cent.

As the first group of rails was pulled up on the bridge, it was stopped so that the first rails on each side could be lined off between the running rails and the timber guard rails, directly opposite their final positions in the track. Then the remaining rails of the group were pulled ahead and subsequent pairs were lined off to their respective positions outside the running rails.

For the second pull of eight rails, the skid ties used in the first pull were returned to Mounds yard and were placed under the rails, already up on blocking in proper arrangement. When moved

The problem of plate-cutting of the ties, with resulting wide gage, was encountered on the south approach, a portion of which is shown here





on the bridge, this group of rails was unloaded in order, as were the rails in the first group, and then the stage was set for changing out the old running rails.

In the latter work, one long rail was placed at a time, between trains. At the same time, the switch-point expansion joints were installed, until the entire work over the bridge was completed.

Wide Gage on Approach

The long, deck-plate-girder south approach to Cairo bridge, where the problem was severe tie-cutting and a tendency toward wide track-gage, has an over-all length of 3,424 ft., with 200 ft. of 2-deg. 30-min. curvature and 1,768 ft. of 4-deg. 45-min. curvature. Throughout, the deck girders of the structure are spaced approximately 8 ft. apart and the deck consists of creosoted dense pine ties, 8 in. by 12 in. on the curves and 8 in. by 10 in. on the tangents. In both cases the ties are approximately 10 ft. long, are set on edge, and are dapped over the tops of the supporting girders and secured to them by hook bolts. Both sides of the deck have a timber guard rail, beyond which is a plank walkway, 2 ft. 9 in. wide, in each case protected by a cable handrail.

Continuously over the south approach the track was laid with 112-lb. RE rail, with GEO-type track fastenings, and throughout the curved sections it had a superelevation of one inch. Train speeds over the approach and river spans were restricted to 15 m.p.h. The GEO track construction had been installed on the approach in 1935, but the 112-lb. rail had been relaid in February, 1942.

The real track problem on the approach was, and had been from the start, the cutting of the GEO tie-plates into the ties, with the widened gage that resulted. This cutting was almost entirely at the outer ends of the plates, beneath both the outside and inside rails, and continued, although the tie-plates, 8 in. by 14 5/16 in., with 5/64-in. eccentricity, appeared to be adequate in size. Each of these plates was held to the tie by four 7/8 in. lag screws, 6 1/2 in. long, the rail being held to the plates, independent of the ties, by the clips and bolts of the GEO construction.

Various methods were tried to overcome the track problems encountered on the curved section of the approach, in-

TOP—A group of the continuous rails on the way to the bridge for installation. LEFT—One of the switch-point-type expansion joints. Inner guard rail not yet in position

cluding the installation of an additional Meco rail lubricator for the high rail directly off the river spans, and they improved conditions, but they did not stop the plate cutting and the tendency toward wide gage, with the result that, by the middle of 1944, the outer ends of the plates had cut into the ties generally as much as ¾ in., producing wide gage of about the same amount.

Use Fabreeka Pads

To correct this condition, consideration was given to removing the rail and plates and resetting the plates on new ¾-in. wood shims. However, in recognition of the fact that shims of this thickness would reduce materially the holding power of the 6½ in. lag screws holding the plates and rail in place, consideration was given to adzing the ties to new level plate seats and to the use of much thinner Fabreeka pads as cushioning and wear-resisting shims beneath the plates.

This expedient was decided upon, and pads 8 in. by 14 15/64 in., the same size as the GEO plates, and 15/64 in. thick, were ordered in sufficient number for both rails throughout the 1,968-ft. curved section of the approach. These pads, which are layers of cotton fabric and synthetic rubber vulcanized under high pressure, are oil resistant and highly wear resistant, and are said to have lasting resilience.

Under the plan adopted, it was a matter of removing one or more rails at a time, machine-adzing the ties to level plate seats, placing the Fabreeka pads in position, resetting the rail, and redriving the plate-holding screw spikes. In this, the GEO plates were not removed from the rails, and all of the work was done under traffic, employing a Burro crane, a Nordberg power adzer, and two Nordberg power nut runners, each equipped with screw spike-driving attachments.

Throughout the work, from one to five rails were removed and replaced between trains, with an average of about 12 rails a day. Altogether, the track was cleared up 58 times for traffic. The number of times the track had to be cleared was limited materially by an attempt to operate trains past the work in fleets to the extent possible. As the high rail was reseated on its new seats, it straightened itself up, correcting the wide gage by one-half, and, as the low rail was reseated subsequently, the remaining wide gage was overcome completely.

Several months following this work, the rail throughout the south approach was relayed in kind, by merely removing the GEO clips, without disturbing the tie-plates. At the same time, 36-in. angle-bar-type joint bars were applied.

The results of the work on the south approach have been checked carefully at intervals. At one of the most recent inspections — October 10, 1945 — more than 13 months after the work was completed, the track gage around the curve was found to be almost perfect, with the greatest variation at any point being ⅛ in. open, and there was no indication anywhere of plate movement or cutting into the ties.

The work of installing the welded rail on the Cairo bridge and of overcoming tie cutting and wide gage on its south approach was planned and carried out under the general direction of C. H. Mottier, vice-president and chief engineer of the Illinois Central System, C. M. Chumley, engineer maintenance of way, and G. M. O'Rourke, assistant engineer maintenance of way, assisted on the approach work by C. D. Turley, engineer ties and treatment. All operations at the bridge were carried out under the immediate direction of C. I. Van Arsdalen, division engineer, and A. A. Witter, supervisor of track, both with headquarters at Carbondale, Ill.

ABOVE—Section of the viaduct deck, with rail and GEO plates removed, showing the severely cut condition of the ties at the outer ends of the plates. BELOW—Here the ties have been adzed and Fabreeka pads placed ready to receive the plates and rail, shown assembled at the left

How Locomotive Boiler Performance Is Related to Boiler Proportions

New York Central compares standing steaming tests of a Class J-3 4-6-4 type and a Class L-3 4-8-2 type conducted at Selkirk under identical conditions

By W. F. COLLINS
Engineer of Tests, New York Central

THE boilers of the New York Central Class J-3 4-6-4 type passenger locomotive and the Class L-3 4-8-2 type freight locomotive were subjected to stationary tests at the Selkirk, N. Y., engine terminal in 1940 and 1942, respectively. The desuperheating method of testing developed on the New York Central to permit reproduction of road conditions was used.

Method of Testing

The method of testing is described in detail in the January 18, 1941, issue of the *Railway Age*. Briefly, it is as follows: The locomotive is placed on a pit in the enginehouse, test equipment applied, and other facilities for testing constructed. Main steam pipes are replaced with special shorter sections to permit insertion of gate valves at the steam chests. Desuperheating spray nozzles are applied inside each cylinder and piped to an external water source. The spray water delivered to the cylinders is removed as steam from the exhaust passageways so that steam issuing from the nozzle and up the stack for draft-making purposes is the exact quantity evaporated by the boiler less the quantity required by the auxiliaries. The exhaust temperature is controlled by the amount of spray water, and the pressure by setting the gate valves in the steam pipes to deliver steam at the nozzle in the same condition as that obtained on the road for the same rate of evaporation as useful work is being performed in the cylinders.

Both boilers were tested under the same conditions; coal was from the same mine and received the same preparation, and suction-water temperatures were identical.

The two boilers are the same type, similar in design and general proportions. The L-3 has a larger combustion chamber, 12 per cent more total heating surface, 17 per cent more superheating surface, and a smaller grate than the J-3. The L-3 is equipped with a Worthington 5½ 5A open-type feedwater heater and the J-3 with an Elesco K-40F closed type. The table gives the principal physical data for each boiler.

The fundamental differences that exist are best illustrated in Fig. 1, which relates the hourly evaporation to hourly coal rate. The curves show a greater evaporation for the L-3 at all firing rates. For any specific evaporation within the ranges shown the L-3 consumed less coal. The equivalent evaporation compared to the dry coal rate on an hourly basis as given in Fig. 2 indicates the same general relationship as the actual rates given in Fig. 1 but the differences are not as great.

The heat-absorbing qualities of each boiler (not including radiation losses) together with those of the respective superheaters are shown in Fig. 3. Based on the heat available for absorption, the L-3 with more boiler and superheating surfaces than the J-3 would be expected to absorb a greater amount of the heat released or available; the graph shows this to be true.

Lower Pressure Favors L-3

The approximate saturation temperature of the water in the boiler of 406 deg. F. for the L-3 and 414 deg. F. for the J-3 slightly favored the former in heat transfer. Fig. 3 shows the absorption to be about the same for both locomotives at the lowest rate but as the rate increases the L-3 has a slight advantage both in boiler and superheater but not exceeding two per cent. The difference in temperature of the feedwa-

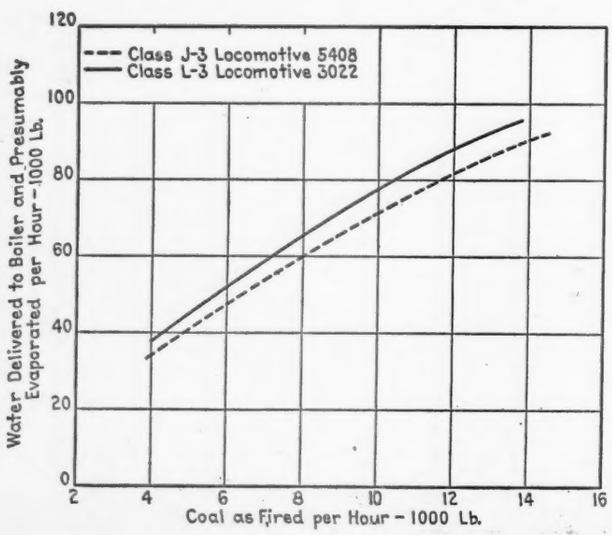


Fig. 1 (left)—Coal fired and water evaporated

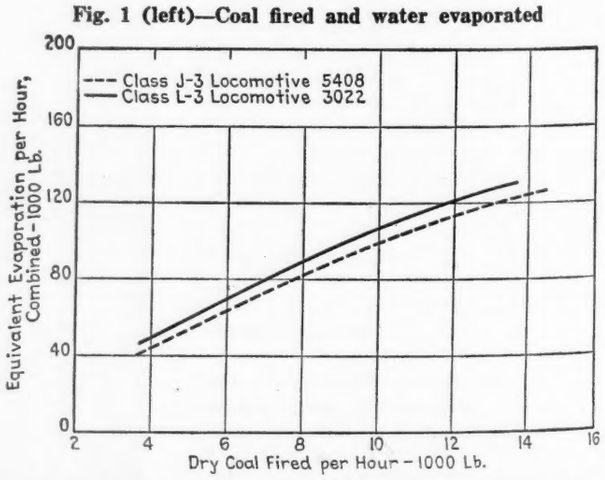


Fig. 2 (above)—Dry coal fired and equivalent evaporation

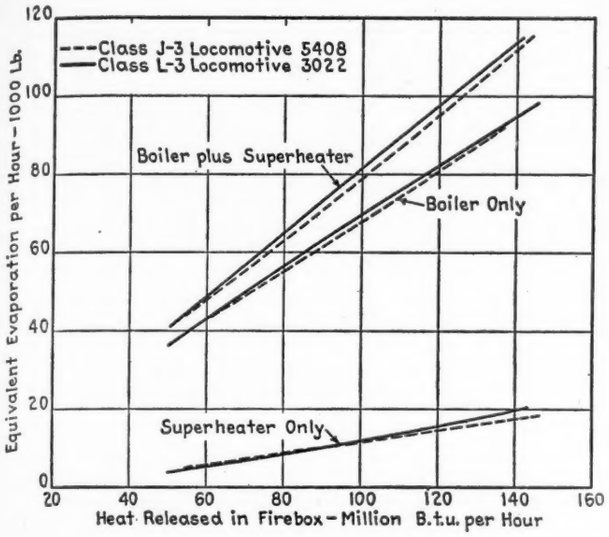

---Class J-3 Locomotive 5408
—Class L-3 Locomotive 3022
Boiler plus Superheater
Boiler Only
Superheater Only
Equivalent Evaporation per Hour - 1000 Lb.
Heat Released in Firebox - Million B.t.u. per Hour

Fig. 3—Heat-absorbing qualities of the two boilers

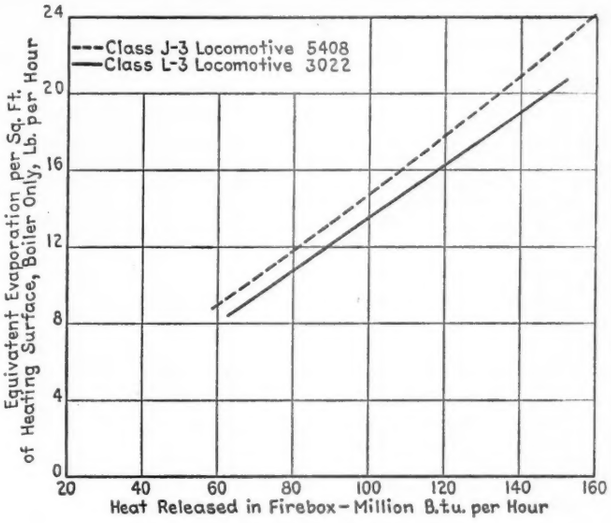

---Class J-3 Locomotive 5408
—Class L-3 Locomotive 3022
Equivalent Evaporation per Sq. Ft. of Heating Surface, Boiler Only, Lb. per Hour
Heat Released in Firebox - Million B.t.u. per Hour

Fig. 4—Heat-absorption rates per unit of heating surface

ter entering the boilers may have had some bearing on the absorption capacities of the boilers from a standpoint of difference between the temperature of the water entering boilers and saturated-steam temperatures.

Heat Distribution

The relation of the rate of absorption to hourly heat release shown in Fig. 4 compares the heat absorption per square foot of boiler heating surface. Since the boiler heat absorption of the J-3 is only slightly under the L-3, as illustrated in Fig. 3, the difference shown in Fig. 4 is considered reasonable. Hence, it can be deduced that with a given amount of available heat practically the same quantity of heat can be absorbed through a smaller heating surface at a higher rate. Undoubtedly this would only hold true within certain limits and the difference between the J-3 and L-3 boiler heating surface does not exceed these limits.

The distribution of the heat released is shown in Fig. 5. The greater portion is absorbed by the boiler and superheater while a portion is lost in the flue gas. The remainder is lost through radiation and other means for which there is no accounting. The difference between the combined and 100 per cent is considered the percentage of radiation and unaccountable losses. The combined percentage of accountable heat lies consistently between 93 and 94 per cent for both boilers, leaving 6 to 7 per cent for radiation and unaccountable losses.

Fig. 6 shows the relation of heat added to steam to hourly evaporation, or B.t.u. added per pound of water by the boilers and feedwater heaters throughout the evaporation ranges.

The percentage of heat added per pound of water by the J-3 boiler remains practically constant at all evaporation rates. The heat added by the L-3 boiler is slightly less than the J-3 at low rates and drops off to a greater difference at higher rates. The heat added per pound of water by the boiler only is related to the heat content of the water at the boiler check, which in the case of the L-3 was higher and required less heat to be added by the boiler itself for approximately the same enthalpy of steam delivered to the dry pipes.

Combustion Characteristics

The relation of combustion efficiency to heat in the coal fired is practically identical for both boilers. Fig. 7 shows a very slight advantage at the low rates for the L-3 and the J-3 has a slight advantage at the high rates.

In plotting the value of dry air supplied against exhaust pressure some of

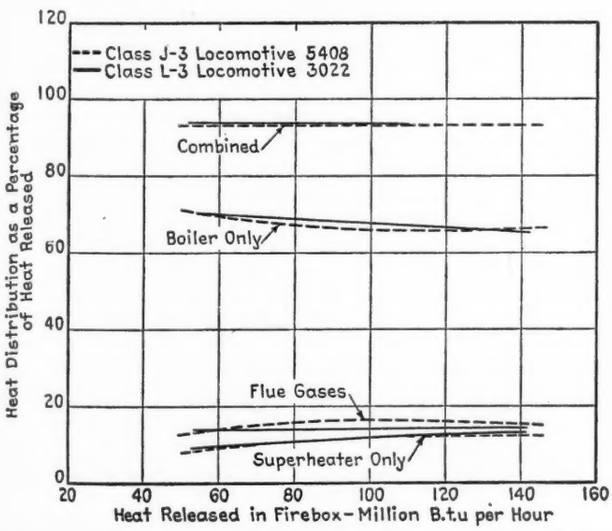

---Class J-3 Locomotive 5408
—Class L-3 Locomotive 3022
Combined
Boiler Only
Flue Gases
Superheater Only
Heat Distribution as a Percentage of Heat Released
Heat Released in Firebox - Million B.t.u per Hour

Fig. 5—Proportionate distribution of the heat released

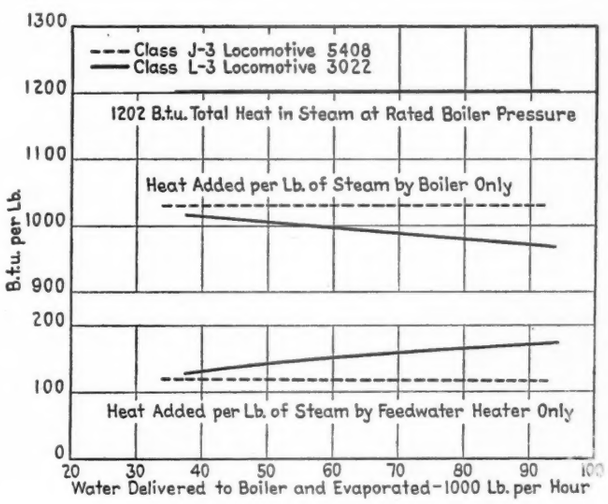

---Class J-3 Locomotive 5408
—Class L-3 Locomotive 3022
1202 B.t.u. Total Heat in Steam at Rated Boiler Pressure
Heat Added per Lb. of Steam by Boiler Only
Heat Added per Lb. of Steam by Feedwater Heater Only
B.t.u. per Lb.
Water Delivered to Boiler and Evaporated - 1000 Lb. per Hour

Fig. 6—Heat added per pound of steam

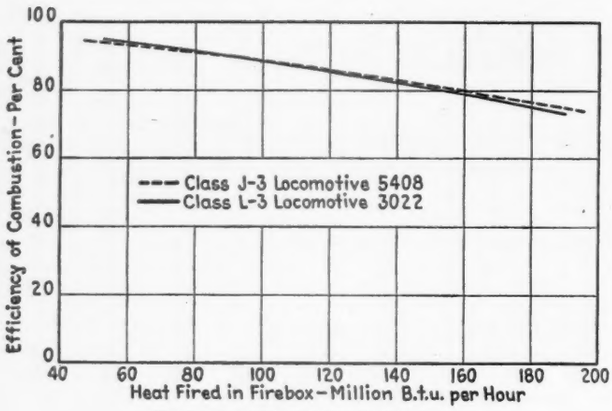

Efficiency of Combustion - Per Cent
Class J-3 Locomotive 5408
Class L-3 Locomotive 3022
Heat Fired in Firebox - Million B.t.u. per Hour

Fig. 7—Combustion efficiency

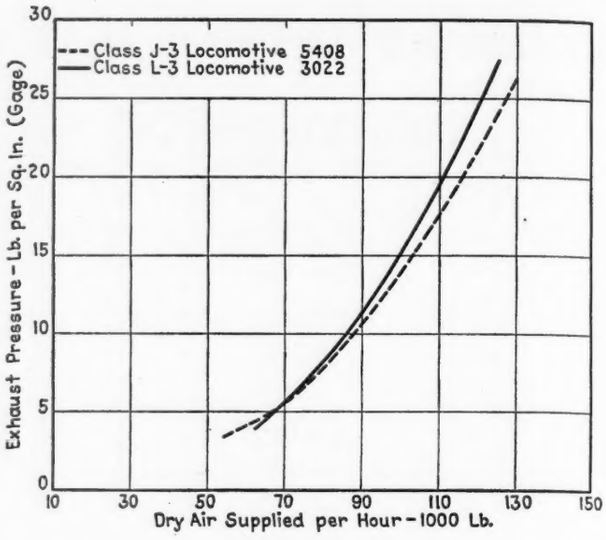


Fig. 8—Rate of dry air supply as affected by exhaust pressure

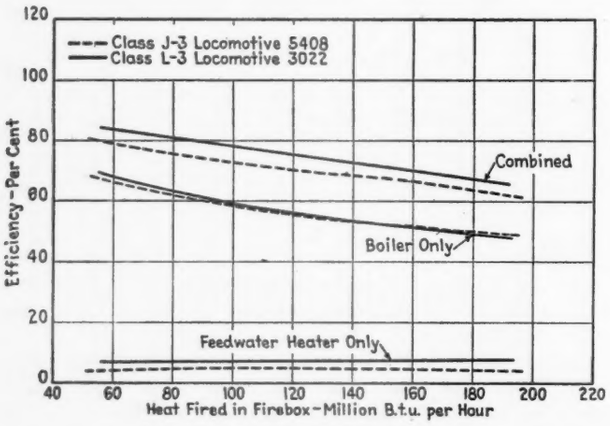


Fig. 9—Overall boiler efficiency

the slight variables between the locomotives are eliminated to a certain degree. Slight differences in exhaust-nozzle sizes and exhaust-steam temperatures can be ignored. The major difference between the J-3 and L-3 is in the area of the grates. Fig. 8 shows the same quantity of air supplied for both locomotives at 5 lb. per sq. in. (gauge) exhaust pressure, but at higher exhaust pressures more air is supplied by the J-3 and at 25 lb. per sq. in. gauge about 6,000 lb., or 5 per cent, more air was supplied per hour by the J-3 than by the L-3.

The superiority of the L-3 combination of boiler, superheater, and feedwater heater is further illustrated in Fig. 9 showing the relation of efficiency to heat fired. The combined boiler efficiency for the L-3 is from 3 to 5 per cent higher than the J-3.

Summary

Figs. 1, 2, 3 and 9 definitely indicate that the L-3 boiler is superior to the J-3 from the standpoint of steaming performance.

In Fig. 6 the total heat in a pound of saturated steam at the pressure involved is approximately 1,202 B.t.u. The heat added by the feedwater heater per pound of water determines the amount of heat that will have to be added by the boiler to that water to produce steam. For the same boiler heat absorption, the total water evaporated will decrease as the amount of heat required from the boiler per pound of water increases.

The heat absorption of the L-3 boiler is slightly higher than that of the J-3, as shown in Fig. 3, but when compared on the basis of heating surface as in Fig. 4 that of the J-3 is much higher. The reason for this may be the larger firebox of the J-3, which has slightly more area and a higher percentage of the total heating surface exposed to radiant heat.

The efficiency of combustion is practically the same for both J-3 and L-3 boilers.

There is less air supplied at the same exhaust pressure in the L-3 than in the J-3. This difference in air supplied may be a reflection of the difference in grate area of the two boilers.

The superiority of the L-3 over the J-3 boiler is apparent. The analysis has shown the J-3 slightly superior on the bases of heat absorption per unit of heating surface and quantity of air supplied per pound of exhaust pressure. On all other bases of comparison the J-3 boiler performance is not superior to the L-3.

Dimensions and Proportions of the Boilers of the New York Central Class J-3 4-6-4* and Class L-3 4-8-2† Locomotives

	J-3a	L-3
Boiler pressure, lb.	275	250
Diameter first ring inside, in.	80⅝	82 7/16
Diameter largest ring outside, in.	91½	94
Firebox length, in.	130 13/16	120⅛
Firebox width, in.	90¼	90¼
Height mud ring to crown sheet, front, in.	89 1/16	89 15/16
Height mud ring to crown sheet, back, in.	68	69
Combustion chamber length, in.	43	63
Length over tube sheets, ft.-in.	19—0	20—6
Tubes, number and diameter, in.	59—2¼	50—2¼
Flues, number and diameter, in.	183—3½	198—3½
Net gas area through tubes and flues, sq. ft.	8.93	9.33
Grate area, sq. ft.	82	75.3
Heating surfaces, sq. ft.:		
Firebox, combustion chamber and arch tubes	360	373
Tubes and flues	3,827	4,284
Total evaporative	4,187	4,657
Superheating	1,745	2,080
Combined, total	5,932	6,737
Heating surface, sq. ft. per sq. ft. of grate area:		
Evaporative	51.0	61.9
Combined	72.2	89.4
Firebox heating surface, per cent of:		
Evaporative heating surface	8.6	8.0
Combined heating surface	6.1	5.6
Grate area, sq. ft. per sq. ft. gas area	9.2	8.1

* The Class J-3 locomotives were described in the *Railway Age* for April 2, 1938, page 597.
† The Class L-3 locomotives were described in the *Railway Age* for December 7, 1940, page 856.

LOST:—$100,000,000

Faulty packing and careless handling were chief causes of 1945's tremendous loss and damage toll which was 400 per cent greater than in 1941

By C. H. DIETRICH

Executive Vice-Chairman, Freight Claim Division, Association of American Railroads

TODAY the railways are engaged in one of the largest equipment improvement programs in their entire history. As a result of the intensive use of equipment during the war years, much of the service life remaining in cars and locomotives at the start of the war has been used up. In addition, tremendous strides have been made by some of the railways' competitors so that the roads must find the most modern equipment possible to capture the traffic of the post-war years.

That the carriers have recognized these facts is amply evidenced by the large equipment orders now being placed. However, no one will contend that the roads have ordered all of the modern equipment that they need, due primarily to the tremendous cost of such a program. Yet, in 1945 alone, they spent in claim payments for damaged freight approximately $100,000,000, enough money to purchase 1,250 of the most advanced air-conditioned coaches yet built, enough money to pay for 500 modern dual service 4-8-4 type steam locomotives, or two hundred 5,400-hp. Diesel-electric freight locomotives, or a sum sufficient to purchase nearly 33,000 box cars.

Railroad managements would consider conditions bad indeed if, with all of the heavy traffic they have handled last year, there had been any month in which the roads, as a group, failed to earn a net railway operating income. Yet 1945's $100,000,000 claim payments were greater than the net railway operating income of all U. S. Class I roads for any month of 1945. It would have been regarded as quite a feat of good management if the net of a single month could have been doubled, yet a larger sum than was earned in any such period of the year was thrown away by improper packing, poor handling, and faulty equipment resulting in lost or damaged shipments.

One hears today a great deal concerning the advisability of relaxing packing requirements for rail shipment, the thought being that excessive packing costs in preparing goods for rail movement tends to divert traffic to competing carriers. With that statement there can be no argument, but unfortunately those who repeat it most often tend to regard any but the loosest kind of packing regulations as excessive. Certainly cheaper and lighter weight packaging methods must not be approved until careful study has demonstrated that they will not result in increased damage to freight. There can be no justification for a competitive condition which leads to indiscriminate easing of packing standards by both the rails and their competitors if the result is to be increased claims payments by both.

Then, too, there is the question of just how much additional traffic such a change would develop. When a railroad accepts a shipment it enters into a contract with the shipper to deliver that shipment intact and free from damage at destination. That is what the shipper wants and what the receiver wants. Except for a very small, chiseling minority of shippers who hope to collect more for damages than the value of the shipment, the consignee tenders a shipment to the railroad exacting prompt delivery in good order.

Usually, when the shipment is made, the shipper notifies the consignee that his goods are en route and the latter

Proper use of a stowage gate in the "soft freight" end on an l.c.l. car. Note that there is no possibility of damage due to shifting

plans accordingly, whether it be a sale, or a further manufacturing or processing operation. Suppose then that the shipment arrives so badly damaged it cannot be used. What will be the attitude of the consignee? First, of course, he arranges for a replacement; but, along with that, he asks not only reimbursement for his damaged shipment, but also seeks to ascertain the cause. He may place the responsibility primarily on the railroad, in which case, if the incident is repeated, he will probably instruct other routing. Or, he may place the responsibility on the shipper. In that event, the shipper has a dissatisfied customer and he in turn attempts to find the cause. If he has complied with the published packing requirements and still his shipments arrive damaged he either seeks another agency of transportation or else he loses the business of his customer. In any event the railroad loses the traffic. But it still has to pay the claims arising from its unsuccessful efforts to fulfill its earlier contracts and the net result is twofold, a reduction in freight revenue and an increase in claims expense.

Analysis of loss and damage claims indicates that there are four main areas of failure: Packaging; handling, including marking; loading; and car design. It is, of course, impossible to completely separate these items, as, for example, it is entirely practicable to design a package that will withstand the effects of careless handling, poor loading and faulty equipment. Likewise, better equipment, proper handling, and careful loading can do much to overcome the effects of a faulty package. The fact is, however, that an economically sound approach to the problem demands improvement in all factors rather than in any one alone.

Proper Packaging

Considering first the question of packaging, it is at once apparent that proper packing is primarily a shipper's problem. However, the carrier likewise has an obligation to set up and *enforce* adherence to standards that can reasonably be expected to protect the shipment under normal transportation conditions. During the war years the strength requirements of various types of containers were lowered considerably due to the recognized difficulty of securing adequate materials with which to manufacture strong cartons and boxes. Further, tests of fiber boxes conducted by independent testing laboratories at the request of the Freight Claim Division have shown many instances of new cartons which did not even come up to the lowered war-time standards. If to this condition is added the necessity of re-using many containers (at best a re-used box has not more than half of the strength of a new one), the contribution of improper packaging to the tremendous toll of damaged freight becomes evident.

Damage always occurs when heavy freight is placed on top of light cartons

So far as wooden boxes and crates are concerned, the story is much the same; lack of sufficient new material and inferior grades for general civilian use when new lumber was available.

Fortunately there is a remedy for inferior packaging. The primary cause of weakened fiber boxes, as well as of the shortage of new boxes, has been the inability to secure sufficient amounts of new wood pulp to make a strong fiber board in normal quantities. This shortage in turn is due to the inability of the wood pulp manufacturers to hire adequate labor to operate on a normal basis. The ending of the war, and with it the virtual cessation of the draining of skilled woodsmen by the armed forces and war industries, is already making itself felt by the gradual easing of the man-power difficulties of the industry and increased production is now under way.

From the above, it follows that the first step must be the restoration by the classification committees of pre-war standards for various types of containers and an end to the practice of using weakened secondhand boxes. The next step is not new, but it is one whose value has again been demonstrated during the war years: viz., the testing by independent box-testing laboratories of random sample cartons made in the various box factories throughout the country, to make certain that the containers consistently meet the requirements of the tariff. The findings of these tests must be made known to the shipper and the box maker whose package is involved.

Assuming that adequate containers are again made available there remains one final step that must be taken before packaging methods can be said to be no longer a major cause of damage to freight in transit—proper use of the container. Perhaps the shipper does pack his freight in approved boxes, but if he does not properly use the carton, it cannot do the job for which it was designed.

The freight claims charged to concealed damage amounted to over $7,000,000 in 1944, more than 10 per cent of the total, while unlocated damage to freight in packages, which stems from the same general causes, amounted to more than $27,000,000 or nearly half of the total. Together these two items accounted for nearly 60 per cent of 1944's freight claims.

Obviously much of this damage was due to the inferior quality of the container itself; but equally obvious is the fact that, with such a large proportion of the damage unrecognizable at the time of delivery, failure to pack the article within the container properly was also a major factor. Here, unfortunately, the railroad freight agent has little to go on in determining whether or not a given shipment should be accepted.

Before recommending payment of a claim for concealed damage the agent should satisfy himself that the article was properly protected when offered for shipment. Both the local agent and the staff of the freight claim department, but particularly the latter, must also be on the alert to detect concealed damage claims which, because they form a pattern of shipments of some particular shipper or commodity, are evidence of consistent packing failures. When such a condition is discovered consultation with the shipper will usually bring about corrective action promptly to the benefit of shipper, consignee and carrier.

Standards Must Remain High

One more point concerning packing should be discussed before turning to other aspects of claim prevention and that is the question of relaxing packing standards for competitive reasons. It must be admitted at the outset that it is perfectly possible to set packing requirements so high as to constitute an effective barrier to rail shipment. But it is also true that consistent failure to deliver the goods in good order can be an

even more effective barrier to future traffic. Further, it is extremely doubtful if any traffic officer could justify to his superior the practice of soliciting traffic on which it was known that the claims would be equal to or in excess of the revenue derived therefrom. Yet, those would be the results of some of the proposed attempts to relax, for competitive reasons, packing requirements below the minimum factor of safety.

The principal competitor of the railroads is the motor carrier industry. All indications now are that this industry, too, is faced with the same problem of excessive amounts of loss and damage as are the railroads. There is probably no difference in the packing required to insure safe transportation either by rail or by truck. The fact is that the highway carrier, like the rail carrier, must insist on a package that will stand numerous handlings and considerable jar and vibration in transit, and there is now much evidence of a gradual tightening of packing requirements by the motor transport operator.

The greatest disservice the railway or the highway carriers could do to their owners or their customers would be to enter into a period of competition which was based on lowered standards of packing and which resulted in heavy damage claims. Certainly the carriers do not benefit when claim payments are excessive; and just as surely the shipper does not gain, for eventually that loss must be made up either through higher charges or discontinuance of the service.

In 1941, the last full year of normal peace-time transportation conditions, U. S. Class I railroads paid out approximately $22,000,000 in loss and damage claims as compared with nearly $60,000,000 in 1944 and an estimated $100,000,000 in 1945, an increase of nearly 400 per cent in claim payments in only four years. During that same period freight revenues rose from approximately $4,500,000,000 in 1941 to $7,000,000,000 in 1944, then fell to $6,500,000,000 last year, 55 per cent and 45 per cent, respectively, above 1941's freight revenues.

Cars Not a Major Factor

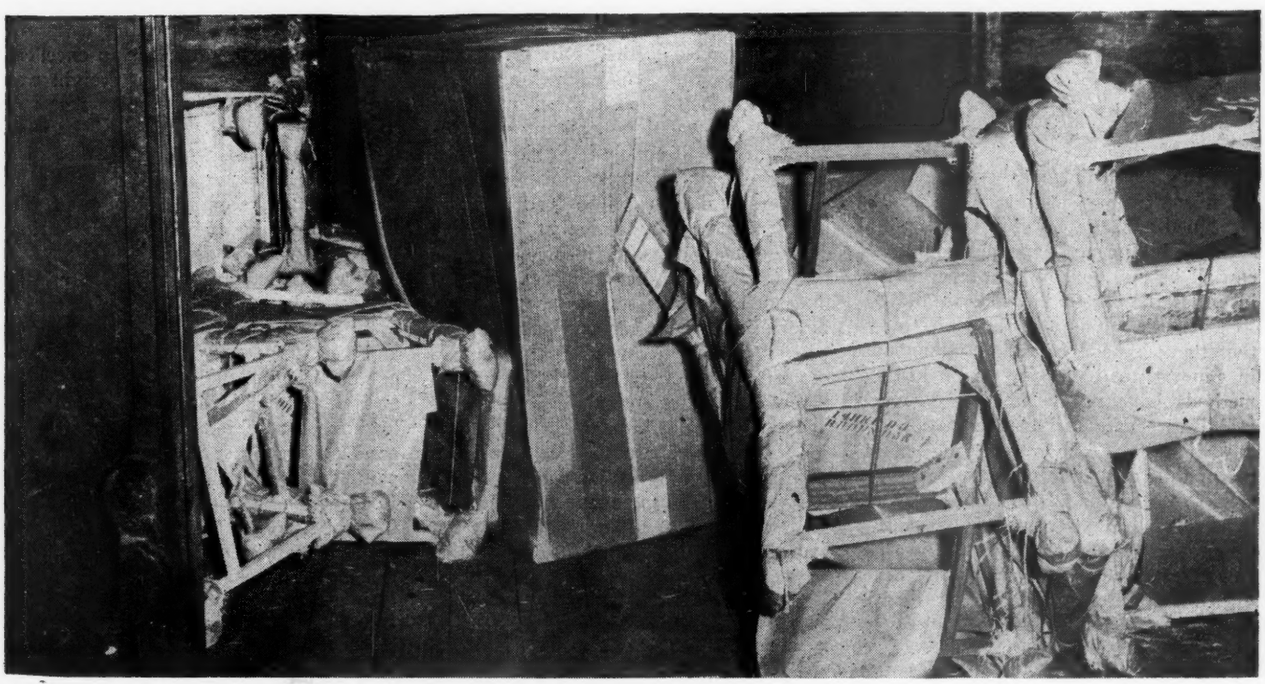
Since in that time there were no significant changes in car design and construction, while packaging materials, labor conditions, and other factors were materially different at the close of the period, it is evident that cars and equipment had little to do with the tremendous increase in claim payments. This is not to say that improvements in car design are not being considered, for they are.

The railroads would be the last to claim that the perfect freight car has been placed on the drawing board, much less built; but they are, and will continue, striving to develop such a car. There are today many committees of the Mechanical division of the Association of American Railroads working on matters such as improved springing, better draft gear, more perfect insulation of refrigerator cars and a host of other features of car construction. With all of these groups the Freight Claim division is co-operating, and from them should come a freight car designed to carry shipments more safely. Nevertheless it remains a fact that car design is not a major factor in the present problem of excessive loss and damage.

The matter of proper handling is of much greater importance in reducing loss and damage to freight than is car construction. In this discussion handling will be defined as marking, receiving, delivering and billing of freight, and movement of cars, but will not include loading, which will be considered separately. In this field both the shipper and the carrier are very much involved, the carrier particularly with regard to platform handling of L.C.L. freight and proper handling of cars in trains and in yards. Primarily the problem is one of human rather than mechanical failures.

Take for example a single L.C.L. shipment. After it is packed it must be properly addressed by the shipper. In offering it to the carrier, the shipper must give the carrier accurate and complete instructions for its movement, including the name of the consignee, destination of the shipment, and instructions as to any special precautions needed. The shipper, if he makes his own delivery to the carrier must see that his own employees do not damage the package during the initial transportation operation.

The carrier, on the other hand, must see that the shipper has done all of these things and further that it receives the particular shipment called for by the shipping order. After receipt of the shipment in good order, the carrier must prepare the necessary waybill properly



Another instance of damage caused by improper stowing—This car was not heavily loaded

describing the article and showing consignor, destination and route. Also the shipment must be spotted to the proper car or truck upon receipt. If more than one package is involved, naturally a count must be made as a part of the check. In handling the shipment from truck to receiving platform and thence to the car there is considerable opportunity for damage if care is not used. At intermediate transfer points all of these steps must be repeated except billing, and again at destination, only this time in reverse order. In addition, in making delivery the carrier must ascertain that the delivery is actually being made to the consignee and not to some other person.

In such a complex chain of events there are numerous opportunities for error which might result in loss or for careless handling which may bring about damage. The latter factor may be reduced in importance by the use of any of various machines and methods for handling freight, but the fact remains that the opportunities are there and must be guarded against by an alert, properly trained personnel, and in that last phrase lies the key to this entire phase of the problem.

A piece of freight can be packed and marked perfectly yet a mistake in billing by either carrier or shipper or misloading by the latter in the truck in which it leaves his plant, or by the carrier in a car, on an erroneous delivery, can result in a lost shipment. Likewise there has never been an economically feasible package devised that could protect a shipment against extreme cases of careless handling on a freight platform or over speed switching impacts. It is also true that complete elimination of failures of this type cannot be attained. But they can be reduced to a minimum by proper training.

Proper Loading Is Possible

Closely allied to good handling is the matter of proper loading. The results of a good package, careful handling and accurate billing and excellent equipment can all be nullified by improper loading in either the car or the pick-up and delivery truck. It is probably safe to say that there is hardly a single commodity in general use today for which loading methods have not been devised which will insure safe rail transportation for any distance. The outstanding example of this, of course, was the transportation of vast quantities of high explosives during the recent war without a single accident due to improper loading in spite of the fact that in most cases even the slightest shifting of the load in transit would have caused a violent explosion.

Cars can be loaded so that the lading will arrive at destination undamaged.

Careful trucking avoids damage to freight—The trucker can see where he is going, and is steadying the load with his hand to prevent tipping—Note especially the use of a truck board to support the crate without strain and the exceptionally clean platform

The war-time experience with vast quantities of explosives proves that. Why are they not so loaded? First it must be admitted that faulty boxes and cartons are a factor. If a shipment is not properly protected no amount of careful loading will enable it to ride safely. The war-time shortage of cars caused shippers and carriers to load all cars heavier and many feel that excessive damage was the result. In some instances this may be so, but the fact remains that such heavy cars were often shipped before the war, and, when loaded in approved containers and according to recommended practices, invariably arrived safely. The fact is that weakened packages and poor loading, rather than heavier loads, have been the real causes of damage to heavily loaded cars.

Even if the billing agent were charged with the duty of seeing that every car is properly loaded, which he is not—that being the exclusive responsibility of the carload shipper—he would not be a competent judge unless given special training. The destination agent is in a much better position. When a car arrives damaged he or some other employee of the carrier is usually called upon to inspect the damage. Here, if the inspector has been well trained, is an excellent opportunity to see whether freight was properly loaded and to report that fact so that, when the claim is filed, its merits can better be determined. In such cases, the inspector should see whether the loading recommendations of the Freight Loading and Container Section, A. A. R., were followed.

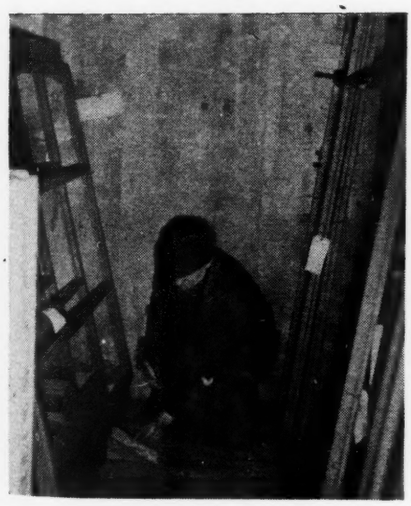
In all too many cases, however, the inspector, because he has not been taught even the rudiments of proper loading and packaging, simply ascribes the damage to "rough handling" and lets it go at that. Probably 90 per cent of all carload freight subject to damage is covered by loading recommendations, in pamphlet form, published by the Freight Loading and Container Section. Rules for open-top loading are published by the Mechanical Division, A. A. R. Those recommendations were largely drawn from practices successfully followed by shippers over the years, and are considered standard. If carriers would make sure that each shipper has the pamphlet pertaining to his commodity, a gen-

eral improvement in carloading methods could be expected.

Carrier Controls L.C.L. Loading

In the case of L.C.L., the carrier has a clear responsibility and unlimited opportunity to see that the car is properly loaded for safe transportation. Loading foremen must know how to place freight and how to brace it so as to prevent damage to other pieces in the same car. Common sense should dictate the placing of the heaviest objects on the floor of the car, and segregating "rough" from "soft" freight, yet often when cars are open it is found that these objects have reached the floor only after pushing aside or crushing the lighter freight on which they rested. Care must also be used in "stepping down" the load, in bracing it in the car, and in loading in the doorways so that damage will not result from opening of the doors. Probably the most effective preventive of damage caused by shifting and load pressure in heavily loaded L.C.L. cars is the bulkhead. For many years a number of railroads have been bulkheading L.C.L., with extremely satisfactory results in damage prevention. Obviously, although there is nothing very difficult about this, it does require a considerable degree of skill and training on the part of the freight handlers and much planning and close supervision by loading and dock foremen, agents and others concerned.

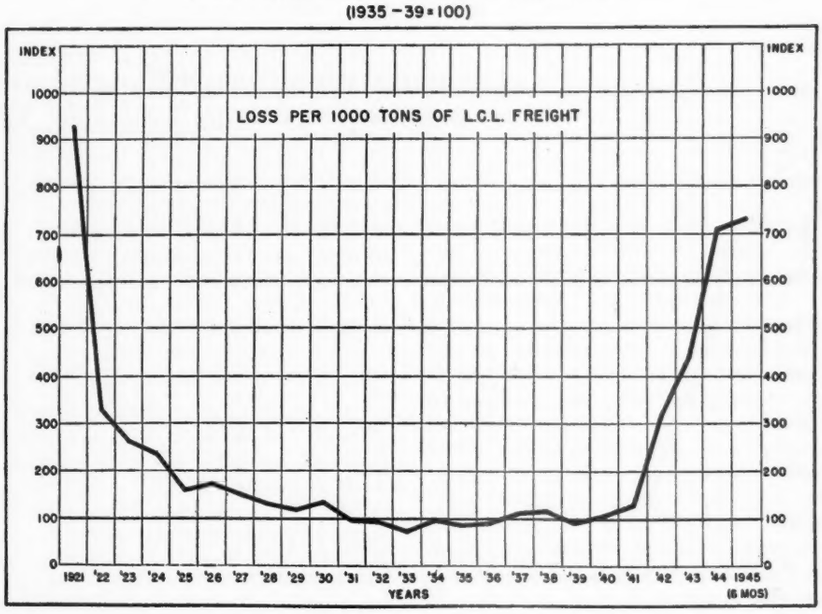
Recently there has been much work done towards devising improved methods of training employees how to perform a certain task. Aside from some of the techniques devised, one of the outstanding things learned was that a demonstration of a new operation must be repeated at least five times with intervals of at least one day between each repetition before it sticks in the mind of the average employee. How many more times must such a demonstration be repeated if it is also to overcome the effects of a bad habit as well as teach a good one? How many railroads, and shippers as well, decided that training programs were a failure because they failed to consider the necessity of repetition?



An example of good blocking of a shipment of window frames—By loading these frames lengthwise of the car, then nailing blocks to both floor and wall, virtually all danger of damage from endwise shocks is eliminated

INDEX OF UNLOCATED LOSS OF ENTIRE PACKAGE (L.C.L.) PER 1000 TONS OF L.C.L. FREIGHT ORIGINATED

(1935 – 39 = 100)



The Freight Claim division is proposing several courses of action looking toward better handling of freight. One is the preparation of a manual of switching practice, written not in rule book style, but rather designed to carry explanatory pictures and charts so that it will be easily understood and carry an emotional appeal to the pride most men have in doing their work well. Another is to make a sound motion picture showing how cars may be switched quickly yet at the same time safely. It is believed that a motion picture will be particularly valuable in depicting the proper way to perform a moving operation such as this. A final proposal is to make a series of five-minute sound-slide films, each dealing with a different phase of pickup and delivery and freight house training. By this means it is hoped that the best methods of handling and loading freight may be shown and explained clearly to all employees concerned.

Management Holds the Key

Given the authority, the Freight Claim division can prepare many of the necessary aids to training freight station and train and yard personnel in the use of proper methods, but that is as far as the division can go. The use of these aids and the enforcement of good practices are matters that can be handled only by the individual carrier. If the annual freight claim bill is greatly to be reduced each line must make a thorough analysis as to the causes of freight claims, develop a program for correction and teaching of employee's good habits, and then carry it out wholeheartedly and continuously. Of course, such a program to be successful requires the employment of an adequate staff of freight claim prevention specialists both on its road and in the general offices. It is regrettably true that the claim prevention departments of many roads are woefully undermanned, while all too few have staffs that may be considered adequate.

In the final analysis most employees are willing to do any job in the way the management wants it done if they understand why it should be done in that way and if they are convinced that the management actually and sincerely wants the job done in that way. The primary problem then is twofold; first, to show the employee how to do the work—and that is where the various training schemes fit in—and second, to convince him by constant supervision which gives almost certain detection of failures that that is actually what is desired. Both factors are of equal importance, for without the first the worker cannot do what is expected, and without effective supervision the time, effort and money spent for training would be put to better use in paying the freight claims that are inevitable under such a system.

Demurrage Charges on Strike-Bound Cars

I. C. C. requires easing of tariff provisions when strikers resort to violence or intimidation to halt movement

By G. LLOYD WILSON

Professor of Transportation and Public Utilities, University of Pennsylvania

THE problems growing out of interference by strikes in normal transportation operations of industries and carriers are manifold. One aspect of this situation causes loss to fall either upon industries or carriers, without fault on the part of either—the detention of cars beyond free time which cannot be placed or released because of strike interference. This is only one of the minor collateral economic losses suffered by workers, owners, and management, caused by strikes, but it is one of particular interest and importance to traffic and transportation men in these days of unquiet peace.

Several cases which have come before the Interstate Commerce Commission are important not alone in the decisions rendered but in the different paths of economic and legal analysis by which the results were reached.

The West Coast Lumber Case

In the spring and summer of 1934, seamen, longshoremen, and other maritime workers, at the ports of Seattle, Tacoma, Olympia, and Longview, Wash., and Portland, Ore., were on strike. During this period few vessels were loaded or discharged at these ports. Those that were handled were generally worked under special exceptions granted by the strikers or under police guard. The waterfront terminal facilities, as well as the railroad approaches to them, were picketed, and the interchange of freight between vessels and railroad cars was virtually at a standstill. The strike was accompanied by violence and mobs accumulated when attempts were made to move cars through the picket lines without dispensation of the strikers. Testimony was introduced in the hearings before the Commission as to these conditions and that threats and intimidations were directed not only against the loading and discharge of the vessels and transfer operations at the dock, but against switch movements of freight cars to or from the docks at Seattle and Portland.

As a consequence of these conditions, a number of shippers, chiefly lumber companies and commercial enterprises in the Pacific Northwest, had shipments held in freight cars at these ports upon which demurrage accrued. Complaint was filed with the Commission by Balfour, Guthrie & Co., Ltd., and others, against the Milwaukee Road and other railroads. A number of interventions were filed by shippers and others interested in the case.[1] The complainants did not attack the rate of demurrage, generally $3 per day or fraction thereof after five days free time, applicable to interstate and foreign commerce moving by railroad to or from these ports, which was to have, or had had, transportation by water transportation service beyond the ports. The complaint alleged the unreasonableness of the rules applied in arriving at the charges and the resultant charges due to failure of rules to provide exemptions from demurrage charges under the conditions brought about by the strike.

The shipments moving to and from these ports by railroad service and ocean shipping services beyond the ports were transported at combinations of separate rail and water sources and rates. No joint through rates via rail-and-water routes were applicable to the shipments. The railroad service, therefore, began or ended, as the case might be, with the placing of the empty cars for loading, or of the loaded cars for unloading at the docks. The loading and unloading of the cars at the ports was performed for shippers or consignees by the dock or steamship operators. Upon arrival of the shipments at the ports it was customary for the railroads to notify the consignees named in the railroad billing.

The cars, after arrival at the railroad yards at the ports, are held in the railroads' outer or break-up yards awaiting specific and individual orders to deliver the cars at particular dock locations, unless standing instructions are given by the consignees ordering all of their cars to be placed at certain designated delivery places.

At Portland the railroads' attempts to perform switching services at the docks were often delayed or temporarily abandoned entirely because of threats and intimidations of railroad employees by the strikers, to conserve life and property and avoid turmoil. Some of the dock locations were more thoroughly picketed than others, and some cars were moved to or from the imperfectly picketed places. Unsuccessful attempts were made at other places to perform spotting services. At Seattle, switches were spiked and rails were greased in order to prevent switching operations, and railroad switching crews were forceably prevented from placing cars.

In view of these conditions, the complainants delayed giving orders for placement of cars. The cars which were placed generally remained where they were placed beyond free time, awaiting loading or unloading, and upon these cars demurrage charges were assessed. Incoming cars awaiting consignees' placement orders were held at the railroads' terminal storage or hold yards. Apparently no demurrage charges were assessed for the time between the placing of the orders by shippers or consignees and the placement at, or movement to, the docks by the carriers.

The contentions of the complainants were, stated briefly, that:

1. The strike attended as it was by violence and intimidation constituted a form of superior force (vis major).
2. The strike produced an uncontrollable situation affecting both shippers and consignees and the carriers.
3. Shippers should not have been charged demurrage resulting from cases not attributable to them, and which they could not have avoided.
4. The cars were held beyond free time, not by the desire of shippers or consignees, but solely because of conditions outside their control.

A 2 to 1 Verdict

By a two-to-one vote Division 2 of the Commission, which decided the case, rejected the contention that the strike conditions amounted to a superior force which would set aside temporarily the obligations of shippers and carriers. The majority divided the demurrage charges into two categories: Those assessed upon cars held at the docks beyond free time by failure of shippers or consignees to load or unload them; and the charges on cars held beyond free time because of the failure of consignees to give orders to the carriers for their disposal.

The majority of Division 2 held, with respect to the cars placed at the docks

[1] *Balfour, Guthrie & Co., Ltd., et al. v. C. M. St. P. & P. Railroad Co., et al.,* (223 I. C. C. 441). 1937.

which were not loaded or unloaded within the free time provided for by the tariff, that they came within the established principle, enunciated by the Commission in earlier cases, that strikes which prevent shippers or consignees from loading or unloading freight cars do not excuse demurrage charges. [2]The majority report stated: "These decisions rest upon solid foundations. The outstanding fact here is that complainants called for or used the cars for shipment and, through no fault attributed to the carriers, failed to release them within free time. When shipper engages equipment he assumes the risk of delay such as those here considered. No reason appears for requiring the carrier to indemnify or insure him against them."[3]

The majority of the Division found, with respect to the shipments held in cars in the railroads' storage yards awaiting disposition orders, that the transportation service had not been completed and that the consignees were under obligation to order the cars placed, "regardless of the discouraging remarks of railroad operators". The complainants failed to give the orders which would have released them. "Orders were not given, principally if not wholly, because the cars could not be loaded, and because bottoms previously arranged for were not available, but that was no fault of defendants." It stated also: "It was not for the complainants, and is not now for this Commission, to judge whether defendants would have overcome the resistance of the strikers in every instance, or to assume that all switching to and from the docks was impossible."[4]

Aitchison Dissents

Stressing the view that demurrage charges are in part penalties for undue detention of the cars, and in part compensation for their excessive use as storage facilities, the majority report expressed the view that the shippers should pay reasonable compensation for their use even under the circumstances obtaining during the strike, including "an amount sufficient to cover per diem charges paid by the railroads, the trackage, switching and clerical costs, and the legally necessary profit for the carrier."

It observed that there was reason to believe that "the major part of the $3 demurrage charge is to cover the element of compensation". The report observed that "the situation might have been ameliorated had defendants embargoed shipments to the docks". It dismisses this consideration, however, with the observation that evidently there was no necessity for an embargo from the standpoint of the railroads and that the carriers are under no obligation to lay embargoes to protect shippers or consignees from responsibility for demurrage.[5]

After examining the arguments advanced by the complainants with respect to the unlawfulness of the demurrage tariff under the conditions prevailing, the report found the construction strained and that the rules and charges provided for in the tariff were applicable and were not shown to have been unreasonable. The charges assessed were found to be due and the complaint was dismissed.

Commissioner Aitchison, in a short but vigorous dissenting opinion, urged that under the "state of limited anarchy" prevailing during the strike constituted "vis major" and that the cases cited by the majority to support their decision, although appropriate to ordinary strike conditions, were not applicable to this situation. He stated: "The demurrage tariff might be wholly reasonable in normal times or in conditions such as found in the cases cited, and be unreasonable —and hence unlawful—for application when the normal processes of commerce and transportation were wholly frustrated by lawlessness and irresponsible intermeddling".[6]

The Chrysler Case

There the matter rested until 1939 when the question of demurrage charges upon freight cars held by force within the strike-bound Chrysler plant and on cars for delivery at the plants came before the Commission in *Chrysler Corp. v. New York Central Railroad Company.*[7] The complainant in this case assailed the demurrage charges collected on cars held during the sit-down strike at its plants in Detroit in March and April, 1937. The Commission was asked to award reparation for the demurrage charges paid and for a reasonable and non-prejudicial rule for demurrage under strike conditions for the future.

In this strike the strikers seized the plants and effectively prevented the movement of freight cars into or out of the plants. The cars upon which demurrage charges accrued consisted of: first, cars held within the confines of the plants, comprising empty cars placed for loading, partially or completely loaded cars which had been placed for outbound movement, loaded outbound cars on which bills of lading had been issued, loaded cars placed for unloading, and empty cars which had been unloaded of inbound shipments; and, second, shipments in cars held by the carriers outside the plants awaiting delivery to the plants.

The complainants conceded that the defendant carriers could not have gained access to the plants without the use of force and danger to employees and equipment.

The Commission, in an opinion written by Commissioner Aitchison, found the demurrage charges to have been lawful under the carrier's demurrage tariff, but found that the demurrage charges upon the cars held within the confines of the plants during the period of time when the plants were in possession of the strikers, and the complainant dispossessed of the plant and without power to release the cars, were unreasonable to the extent that the exceeded $1.20 per day of impoundage, including Sundays and legal holidays. The charge of $1.20 per day was arrived at by adding to the $1.00 per diem charge paid by the carrier to the owning carrier for the use of the car, 20 per cent to cover "incidental expense." As to the cars held by the carrier outside the consignee's plants awaiting placement, the Commission found the demurrage charges applicable and not unreasonable, relying upon the position taken by the Commission in prior cases that strikers, "as they have heretofore been conducted," are no defense to the payment of demurrage charges.[8]

West Coast Case Reopened

The next step in strike-caused demurrage came when the Commission reopened *Balfour, Guthrie & Co. et al., v. C. M. St. P. & P. R. R. Co. et al.,* for oral argument. The report, after reviewing the conditions which characterized the strike along the water-front, reiterated the position of the Commission that unless the carriers in some way are at fault, the existence of a strike, and conditions incident to strikes, do not constitute a defense against demurrage charges.

This position of the Commission has been affirmed by the federal courts in the *Sinclair Refining* case.[9] It affirmed also its consistently held position that the complete lack of fault on the part of a shipper is not a defense to the running of demurrage and liability for demurrage charges in cases where the carrier likewise is not at fault.[10]

Considering demurrage in its dual characteristics as compensation and penalty, the Commission observed that the

[2] *Wholesale Coal Trade Association of New York, et al. v. Director General Agent et al.,* (58 I. C. C. 15), 1920; *Hidalgo Steel Co. v. Pennsylvania Railroad Co.,* (80 I. C. C. 207), 1923; and *Walford Forwarding Corp. v. Pennsylvania Railroad Co.,* (87 I. C. C. 43) 1923.
[3] (223 I. C. C. 441, 446), 1937.
[4] (223 I. C. C. 441, 446-447), 1937.
[5] (223 I. C. C. 441, 447-448), 1937, citing *Eastman v. Northern Pacific Railroad Co.,* (159 I. C. C. 790), 1929.
[6] (223 I. C. C. 441, 450-451), 1937.
[7] (234 I. C. C. 755), 1939.
[8] (58 I. C. C. 15, 33), 1929.
[9] *Sinclair Refining Co. v. Schaff,* (275 Fed. 769), 1921.
[10] *American Smelting and Refining Co. v. Director General,* (69 I. C. C. 229).

collection of charges substantially higher than the costs of furnishing the cars "was futile as a deterrent against excessive detention," and the release of the cars could not have been accomplished "if the charges had been several times the amount collected." Such charges, moreover, could not have affected the prompt release of the cars held awaiting placement in the carriers' outer yards, because they were detained because of the "intervention of a force beyond the control of both shipper and carrier." The cars could not have been placed without the possibility of "precipitating violence and danger of bloodshed."

The Commission stated that the longshoremen's strike was, in effect a strike against transportation facilities over which the shippers had no control. Therein it differed from ordinary industrial strikes. "While such a condition should not relieve the shipper from the liability of reimbursing the carrier for the expense it suffered by reason of the detention of its equipment, there is no sound reason why defendants should be permitted to collect charges, designed to force the release of such equipment, that are substantially in excess of the cost of the cars."[11]

Using the same formula as it used in the *Chrysler Case,* the Commission found that the demurrage charges were unreasonable under these circumstances to the extent that they exceeded $1.20 per day for the actual period of detention during the strike including Sundays and holidays and without the customary period of free time for loading or unloading. This was applied to the cars held on the docks and to those held in the railroads' yards, and would seem to extend the rule in the *Chrysler Case* in that respect.

It is difficult to understand, on the basis of logic, why in this formula shippers should not have been accorded the usual free time for loading or unloading, as provided for in the tariff, even if the adjustment for the days the cars were held were increased in order to compensate the carriers for the cost of detention. If cars had been held for a few days because of the strike and then delivered, there would have been due "compensation" to the carriers under this formula, but not under the tariff complained of.

Commissioner Caskie, although concurring in the findings insofar as they exonerated the shippers from penalty charges, recommended that no charges should be made for the usual free time authorized by the tariffs for loading or unloading.[12] Commissioner Aitchison, although concurring in the disposition of the case on the basis of the *Chrysler* formula assuming that the cars on the docks or railroad yards were held for the consignees in the meaning of the demurrage, expressed the opinion that they were so held because of the "conditions of public disorder" which prevented both shippers and carriers from performing their arrangement. "In such circumstances sanctions (penalty demurrage charges) intended to compel the prompt performance of the contractual obligations of one party should not be enforced."[13]

Commissioner Splawn, in a dissenting opinion in which Commissioner Patterson concurred, expressed his contention that the demurrage charges assessed were not unreasonable, and that the established precedents holding shippers liable for demurrage charges in times of strikes should not have been swept aside as they were by the majority. Such action would have the effect of creating car shortages and congestion in times of strikes and thereby defeat the purposes of demurrage. He challenged the right of the Commission to decide whether or not a strike created such a conflict with the law of the land as to justify the exoneration or abatement of demurrage charges caused by the strikes. "In view of the nation-wide application of the present rules, an isolated case, such as this, does not justify the Commission in making findings therein, which in all probability, will have extensive application."[14]

Chronicle Publishing Case

In 1941 the Commission, on shortened procedure, decided the case of *Chronicle Publishing Company v. Great Northern Railway Company et al.* growing out of a suit instituted by the carriers to collect charges assessed as demurrage on cars loaded with newsprint at San Francisco during a longshoremen's strike. The carrier sought a waiver of the charges.[15] A vessel containing newsprint consigned to the complainant was compelled to return to Vancouver because of the strike at San Francisco. The newsprint was loaded into cars and a test shipment of five cars was sent to San Francisco. The unloading of these cars was prevented by the strikers. The remaining 42 cars were sidetracked en route at various points along the line of the Southern Pacific between origin and destination. Excepting for the fact that the cars were detained at points other than destination, the situation was identical with that in the *Balfour, Guthrie Case.*

The strike was directed against the delivery of all shipments originating as ship cargo and was not directed against the complainant not this or any railroad in particular, but against all shippers and carriers as a comprehensive plant to stop all deliveries at the port by vessels. The complainant urged its need for newsprint, the hope that the strike would soon be over, and the difficulties of disposing of the material as justification for not diverting the shipments to other destinations.

The Commission found that the demurrage charges assessed were unreasonable to the extent that they exceeded $1.20 per car day for the actual period of detention during the strike. As in the *Chrysler Case,* no free time was allowed for loading or unloading the shipments and Sundays and legal holidays were included. These charges at the per diem rate plus 20 per cent were computed independently of demurrage before or after the period of strike interference. Either straight demurrage computation or the average agreement settlement plan could be used to compute the ordinary demurrage applicable.

The defendant railroads were ordered to waive the collection of demurrage charges in excess of the basis found in the order not to have been unreasonable.[16]

Demurrage Tariff Provisions

A new section was written into the Car Demurrage Rules and Charges Tariff to provide a tariff basis for the filing of claims for the readjustment of demurrage charges accruing because of interference due to strikes. This basis is now published in Rule No. 8, Section G.[17]

The tariff rule now provides that when it is impossible for the consignor or the consignee, because of strike of its employees, to perform the operations mentioned below, adjustment may be made in demurrage charges, if the procedure described is followed. The shipper or consignee must be prevented by strike of its employees from:

1. Loading or unloading freight cars.
2. Receiving inbound cars from the railroad.
3. Making outbound cars available for the railroad.

Under these conditions, the demurrage charges may be readjusted for the period from the first 7 o'clock a. m. after the interference begins to the first 7 o'clock a. m. after it ceases. This period of strike interference is excluded from the computation of free time for loading or unloading and in computing demurrage charges for detention beyond free time. The detention of the loaded or empty cars because of strike interference is charged for at the rate of $1.20 per

[11] (235 I. C. C. 437, 440), 1939.
[12] (235 I. C. C. 437, 442), 1939.
[13] (235 I. C. C. 437, 442), 1939.
[14] (235 I. C. C. 437, 442-443), 1939.
[15] (243 I. C. C. 279), 1941.
[16] (243 I. C. C. 279, 282), 1941.
[17] Freight Tariff No. 4-Y, Association of American Railroads, B. T. Jones, Agent, Supplement No. 27, Item No. 535, Rule 8, Section G, effective December 26, 1945, page 10.

day or fraction of a day. Sundays and legal holidays during the period of strike detention are charged for at the same rate as other days, and no allowance is made of free time for loading or unloading. Empty cars held for prospective loading which have not been appropriated for loading are excepted from this arrangement.

The procedure to be followed requires that the consignor or consignee must present claim in writing to the carrier assessing the demurrage charges within thirty days after the date on which the strike interference ceases, stating the exact time and date when the interference due to strike began and ended. This period of thirty days excludes Sundays and holidays.

$1.20 per Day

The "strike-interference rate" of $1.20 per days is assessed in lieu of charges on the basis of the average agreement with respect to cars which normally would be to the average agreement. During the period of interference the cars do not earn credits or accrue debits as normally they would. It is not permissible, moreover, to offset the charges accrued under the strike interference rule by the credits earned upon the same or other cars under the average agreement.

The entire detention time of cars prior and subsequent to the period of strike detention is consolidated into one period for the application of charges under the average agreement.

In the application of the strike-detention regulations, a consignee is interpreted as a party to whom a shipment is consigned. An exception is made to this interpretation in cases where the billing consignee notifies the delivering carrier in writing at or prior to the time of delivery of the shipment that a party in whose care the shipment is consigned, or to whom it is ordered to be delivered, is the absolute or qualified owner of the goods comprising the shipment and is responsible for charges to be collected at destination. In such cases, this party is considered as the consignee after the shipment has arrived at the destination shown in the bill of lading.[18]

The same regulation is applied to strike interference at public elevators, warehouses, cotton compresses, processing or fabricating plants serving various parties, if the operators of these facilities are responsible for demurrage charges. Steamship pier facilities are not included specifically in the list. If the operators of these facilities, because of strike of their employees, are unable to load or unload cars ordered to be delivered to them, or to receive inbound cars from or to make outbound cars available to the delivering carriers, their demurrage charges may be adjusted to the basis of $1.20 per day upon the same basis and with the same procedure as discussed above.[19]

The most recent development in the perplexing problems of demurrage under strike conditions is an informal opinion of the Bureau of Service of the Interstate Commerce Commission in reply to an inquiry as to the status of demurrage on materials loaded or unloaded with the permission of the union. In the General Motors Corporation strike the plants throughout the country were closed and the company was unable to load or unload any materials at the plants or in transit excepting by permission of the union. The union granted permission to keep power house and maintenance employees at work and to receive and unload coal and other maintenance materials sufficient to protect the properties.

The question raised was the effect of the acceptance of shipments of coal and maintenance materials upon the application of the strike interference rule of the demurrage tariff providing for the charge of $1.20 per days upon cars detained because of strike interference. This inquiry from the industry to the Association of American Railroads was placed informally before the Bureau of Service of the I.C.C. The informal ruling of the Director of the Bureau, V. C. Klinger, was that cars containing shipments of coal and maintenance materials received with approval of the union would be subject to regular demurrage rules and charges, without prejudice to the application of the strike interference rule and the charge of $1.20 per day to all other cars upon which demurrage accrued because it was impossible to unload them because of strike interference. This informal ruling was made November 28, 1945.[20]

[18] Rule No. 8, Section G, Note 1.

[19] Rule No. 8, Section G, Note 2.

[20] Exchange of communications from C. R. Scharff, General Motors Corporation, to A. A. R. November 23; letter November 26, from L. R. Knott, A. A. R. Chicago, to V. C. Clinger, Director, Bureau of Service, I. C. C.; and letter November 29, from V. C. Clinger to L. R. Knott.

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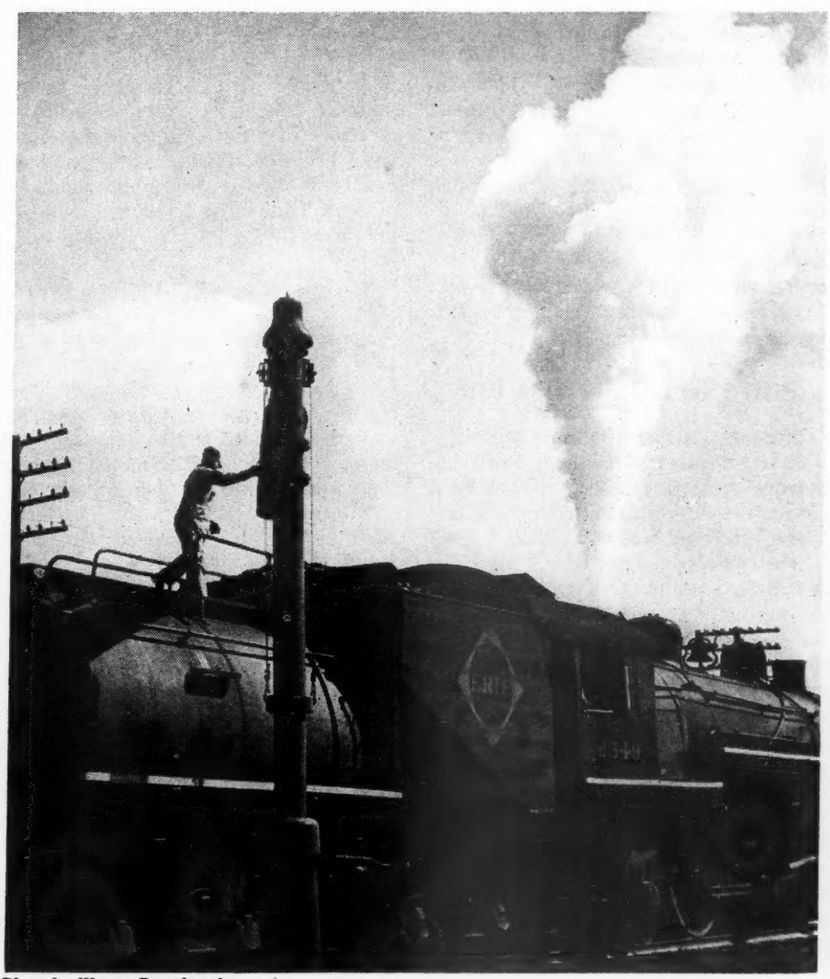

Photo by Wayne Brumbaugh

Erie train No. 30 taking on water at Greycourt, N. Y.

The 59th Annual Report of the I. C. C.

Surveys post-war situation which "abounds in uncertainties," but finds railroads facing it with more favorable and fewer unfavorable factors than other types of carriers

WASHINGTON, D. C.

CARRIERS of all types "are aware that difficulties lie ahead" as they face a post-war situation which "abounds in uncertainties" and promises to be keynoted by a "quickening and extension of competition within and among the several forms of transportation and with private carriers," according to the fifty-ninth annual report of the Interstate Commerce Commission. The commission's "partial diagnosis" of conditions and problems which confront the carriers, however, includes a finding that the railroads "appear to be bringing over from the war period more factors that are favorable and fewer that are unfavorable than most of the other types of transportation agencies."

The report, which went to Congress on January 16, is in the usual form, being a 118-page document reviewing commission activities during the period from November 1, 1944, to October 31, 1945. Only seven legislative recommendations, the majority of them repeaters from previous reports, are offered as such; although the review of the work of the legislative committee notes that the commission has commented favorably on much other pending legislation, including the Bulwinkle bill to stay the operation of anti-trust laws with respect to carrier agreements and joint actions approved by the commission.

Still Favors Bulwinkle Bill

Moreover, a special section of the report was devoted to this matter of "rate bureaus and conferences," the commission there calling attention to the fact that Certificate No. 44 issued in 1943 by the chairman of the War Production Board to accord wartime immunity to the bureau operations is now scheduled for cancelation on February 1. "This," the commission added, "emphasizes strongly the need for legislation along the lines of the Bulwinkle bill, H. R. 2536." That statement followed a repeating from the previous annual report of the commission's view that "there is danger that undue breadth in interpreting and applying the Sherman Act would interfere with carrying out the stated (National Transportation Policy) policy against 'unfair or destructive competitive practices'."

The seven legislative recommendations set up as such include a new call for enactment of S.1291 which would extend to carrier associations the commission's authority to require reports and inspect records, thus giving it that much jurisdiction over the Association of American Railroads, the American Short Line Railroad Association, and like organizations in the motor carrier, waterway, and forwarder fields. Other provisions of the bill would remove from commission jurisdiction the extension, acquisition, or operation [as well as the construction or abandonment as already provided] of spur tracks located wholly within one state, or of electric railways except those which are operated as parts of a general steam railroad system of transportation.

Still other provisions would amend paragraph (2) of section 5 to eliminate the requirement that a public hearing shall be held in all merger and acquisition cases "where carriers by railroad are involved"; rewrite the prohibition in paragraph 12 of section 20a against personal benefits to carrier officers or directors in connection with the disposition of the carrier's securities; and add to Part IV provisions for the regulation of consolidations and leasing of freight forwarders.

Wants New Explosives Act

In recommending enactment of S. 1290, the commission repeated its previous request for a complete rewriting of the Transportation of Explosives Act, while S.46, which it also favors, would increase Bureau of Locomotive Inspection salaries and provide for the appointment of five additional inspectors. Also on the recommended list were S.1253 which would add a new section (20b) to the Interstate Commerce Act, permitting adjustments of railroad indebtedness without resort to judicial reorganization under section 77 of the Bankruptcy Act; S.864 which would apply reparations provisions to motor carriers and freight forwarders; and S.47 which would have the effect of making "certain changes of a minor nature" in the act, including a grant to the commission of authority to prescribe rules for the extension of credit by express companies, a modification of provisions relating to the service of notice in commission proceedings, and a strengthening of commission authority with respect to examining accounts of companies furnishing railroads with cars or protective services to perishable freight against heat or cold.

Last of the legislative recommendations was the commission's perennial suggestion that Congress should amend the Standard Time Act so as fully to occupy the legislative field respecting standards of time to be observed throughout the country. The report's earlier discussion of this matter had found it "likely" that the coming spring "will bring a recurrence of the prewar confusion and inconvenience attending the annual shift of individual states and municipalities to the usual daylight saving during the warmer months."

In addition to its references to the favorable comment made on other pending legislation, such as the Bulwinkle bill, the account of the legislative committee's work recalled that the commission has favored exemption of itself from pending bills to provide a uniform procedure before all government agencies.

Also recalled are the commission's endorsement of S.336 which would give it authority to require the pooling of railroad revenues derived from general rate increases; and reports made on House Resolution 318 and Senate Resolution 161 whereby Chairman Lea of the House committee on interstate commerce and Senator McFarland, Democrat of Arizona, respectively, are proposing comprehensive House and Senate interstate commerce committee investigations of the transportation situation.

Congressional Studies "Timely"

"This review by the committees of the Senate and House of the prospects and problems of our domestic transportation," the commission went on, "is altogether timely, and we believe it will contribute to better understanding of what should and should not be done in the furtherance of the National Transportation Policy. After analyses have been made of the responses to S. Res. 161 and H. Res. 318, we shall have some comments and perhaps some recommendations covering post-war conditions and developments."

The report's discussion of the problems of carriers in the post-war period said that "not the least" of the uncertainties ahead relate "to the level of activity which business will maintain, the

future of labor costs and taxes, and the effects of public expenditures on transportation facilities." These uncertainties and the certainty of intensified competition for available traffic emphasize for the commission "the responsibility on us in seeing, so far as our powers permit, that the public interest is promoted and advanced along forward-looking lines and in the light of the national transportation policy declared by Congress in 1940."

The assertion that the railroads are bringing over from the war period "more factors that are favorable and fewer that are unfavorable than most of the other types of transportation agencies" is followed by a listing of such factors, the favorable ones being: The relatively small addition during the war to the investment in rail facilities, putting the railroads in a position to take greater advantage than otherwise of recent technological advances in the facilities they buy or build; the "generally sound" physical condition of railroad properties; the fact that the railroads are "in a far better financial condition than they were in when they entered the war; their prospects for gain from their "trials and experiences during the war," such as "hard-won knowledge of more effective operating practices," and other operating advantages ("more difficult to perpetuate") won through cooperation of shippers; and the accelerated improvement in the facilities railroads use which was brought about by demands of the war and the imminence of competitive conditions following the war.

"Less Favorable" Rail Factors

On the "less favorable side" of the railroad picture, the commission listed "higher present and possibly prospective wage scales and prices than prevailed before the war, a heavy tax load, and the keen and persuasive competition which other forms of transportation will offer." After similar appraisals of the situations in the motor carrier, water carrier, and pipe line industries, the commission turned to more general comment, observing that "discussions of the problems peculiar to each form of transportation tends to give too little emphasis to the problems which cut across two or more kinds of transportation."

"There are," it went on, "not only competitive relations to consider but also questions as to the control and use of one form by another. We are giving continuing attention to these matters as specific issues arise in rate and application cases and in other ways.

"The transition to a peacetime economy in all likelihood will have a marked effect on the volume and character of our regulatory work. Our present situation seems comparable with that of the period which immediately followed World War I, although the problems of the next few years will necessarily differ in nature from those of the early nineteen-twenties, when an important expansion in our activities occurred.

"At this time it is too soon to foresee those problems in clear detail. It should be remembered, however, that in the past five years two new parts were added to the Interstate Commerce Act at a time when the transportation agencies principally affected by those parts [water carriers and freight forwarders] were subject to war conditions, which have tended to obscure and postpone regulatory questions which would normally arise from legislation such as that embodied in Parts III and IV."

Gave O. D. T. Its Directors

Next, the commission revealed that it is considering "necessary adjustments in our internal organization to enable us to meet the problems which will arise in the transitional period upon which we are entering." It went on to tell how it has been short-handed during the war, and to pay tribute to the 500 of its former employees who served in the armed forces, many of them gaining "valuable experience" while engaged in military transportation activities. It also said that credit was due to the members of its staff who left to join the civilian war agencies. "The successful functioning of the Office of Defense Transportation, we believe, has been aided materially by the fact that its directors were chosen from members of this commission with wide experience in the field of transportation," it added. "Another of the commissioners served for some time as an assistant director of that office, the staff of which has included many of our employees."

Meanwhile the report had got under way with a review of carrier performance, the commission there recalling that early in the war fears ("not wholly without foundation") were held in some quarters that the railroads "would not be able, with such aid as the government and shippers could give, to cope with the oncoming burden of war-weighted traffic." The record, as the commission put it, "shows that substantially all military and essential civilian needs were met, though not without extreme effort and some tight conditions, a large measure of cooperative aid, and some inconvenience to essential civilian users."

Getting down to specific figures, the report noted that with "very moderate additions to capacity" and an increase of 23.9 per cent in number of employees, the railroads in 1944 "performed 55.1 per cent more freight service (ton-miles) than they did in 1941 and 225.3 per cent more passenger service (passenger-miles)." This "remarkable increase in intensity of utilization of freight facilities," the report went on, "is reflected in an average increase of 14.7 per cent in tons per car, a 48.6 per cent increase in ton-miles per car, a 24.4 per cent increase in tons per train, and a 57.6 per cent increase in ton-miles per mile of road. Passengers per car increased 113.3 per cent, and per train, 174 per ecnt; passenger-miles per mile of road used in passenger service advanced 237 per cent."

Credit for All

"Nothing approaching the high utilization of plant set out above has been experienced in railroad history," the commission continued. "The result speaks well for advance planning by the railroads and others, for the sustained efforts and ingenuity of management and employees, for extensive and well-organized shipper cooperation, and for the efforts of government agencies, including ourselves, to aid the carriers and their organizations in conserving facilities and maintaining a high degree of fluidity in the use of equipment. The traveling public turned to the railroads as never before. Its acceptance of crowded trains and other inconveniences also is to be commended. The return of troops to civilian life and the movement of certain classes of freight traffic, such as coal, present difficult operating problems at this time and will continue to do so for the months ahead."

The report went on to recognize the "vital contributions" of the truckers; the manner in which the bus industry "responded with a high degree of success to the varied and essential demands which the war made upon it"; and the "most important contribution" made by vessels of the domestic water carriers which were requisitioned for war service. It was also pointed out that bulk carriers on the Great Lakes (not subject to commission jurisdiction) "constituted a most vital link in war transportation," while the pipe lines, too, did a big war job, especially after "Big Inch" and "Little Big Inch" were completed and placed in service. Until that time, the railroads "filled in with conspicuous success" in the transportation of petroleum products, and they "continued heavy deliveries for a considerable time thereafter."

Commenting on wartime rates, the commission noted that the Ex Parte 148 increases in freight charges remain under suspension, adding that "the huge volume of traffic handled during the war has enabled the railroads, despite large increases in costs, to operate under rates which yielded an average revenue per ton-mile only 1.4 per cent higher in 1944

than in 1941, with a small further rise in the first half of 1945." The 1941 average was "13.2 per cent below that for 1929," and the slight increase since 1941 is explained by "shifts to higher classes of traffic." Average revenue per passenger-mile, all traffic included, was 6.9 per cent higher in 1944 than in 1941, with a "moderate further rise in the first six months of 1945." The wartime increase of 10 per cent in passenger fares has remained in effect since February 10, 1942.

Lessons of War

Meanwhile there were wartime rate increases in the trucking industry, which the commission mentioned briefly, and then summed up its review of the carriers' wartime record in this way: "In both performance and cost of service to the public, the contrast between transportation conditions in this war and World War I are striking to a high degree. Greater varieties of transportation service were available, and each made a vital contribution." The report then proceeded to set forth "some lessons of the war experience" as follows:

First: Despite the much greater traffic load put on transportation in this war than in World War I, the carriers bore the burden and without substantial government operation of their properties. This accomplishment required greater effort, however, on the part of all forms of transportation, including forms which were in their infancy in the first World War. This could not have been done without extensive shipper, carrier, employee, and government cooperation, and without resort to the service and other orders issued by the Office of Defense Transportation, and by ourselves. That shipper and carrier cooperation, with government orders directed to specific urgent situations, was able to accomplish so much suggests possibilities of securing better and more economical service in peacetime.

Second: All forms of transportation are needed in the defense of the nation and in the waging of war. None has a prior claim in this respect, though, in terms of size alone, the railroads made the greatest contribution, and, aside from air and pipe-line transportation, experienced the largest increase in traffic. Private transportation of persons or commodities was found to be less essential than transport for-hire and much of it ceased. Domestic transportation on the open seas was vulnerable to enemy attack, but contributed vessels whose services were of the utmost importance in prosecuting the war.

Third: Under pressure of war conditions, some transportation tasks came to be assigned to certain carriers and some to others. We here only call attention to the facts and express no opinion as to their possible peacetime significance.

Finally: The wartime conduct of transportation required continuing and alert functioning of the basic regulatory process, in conjunction with controls by other agencies of general prices and of charges over which we have only minimum rate powers. Regulation, as well as the agencies of transport, has stood the test of war.

The usual review of traffic and earnings of transportation agencies included data which showed that carriers under commission jurisdiction reported for the fiscal year ended June 30, 1945, gross revenues of $12,863,548,000. The railroads accounted for $9,741,196,000 of the total. Traffic figures covering all carriers are given for the calendar years 1944 and 1943. In the former the railroads produced 745,854 million ton-miles or 69.92 per cent of the total (1,066,717 million) ton-miles reported by all carriers. The railroad proportion of the 1943 total was 71.97 per cent, their relatively poorer showing in 1944 being attributable to the relative gain of the pipe lines which performed 12.41 per cent of the total 1944 ton-miles as compared with 9.43 per cent in 1943.

Meanwhile, the railroad proportion of total passenger-miles was up from 33.53 per cent in 1943 to 34.6 per cent in 1944, while the private automobile's proportion was down from 54.91 per cent to 53.56 per cent. The commission noted that the percentage increase in air passenger-miles in 1944 over 1943 was "large," adding, however, that "the volume of air passenger-miles was so small that the relative standing of the other carriers was practically unaffected thereby." The air lines performed 0.8 per cent of the total passenger-miles in 1944 and 0.61 per cent in 1943.

The commission's analysis of railroad earnings follows the pattern of that in previous reports, i.e., it views railroad employees and investors as jointly producing a net income to be shared by them. The figures, covering the year ended June 30, 1945, show that the railroads in that period collected gross revenues of $9,717 million.

Investors Losing Ground

"Of this $9,717 million of revenues and other income," the commission went on, "$4,723,000,000 was absorbed in costs of materials, depreciation, taxes, and operating rents, leaving a balance of $4,994,000,000 available for wages, salaries, and investors in railway properties. Of this remainder, $3,688,000,000 or 72.8 per cent was consumed by wages and salaries, leaving $1,306,000,000 or 26.2 per cent for fixed charges and other deductions, dividends, and for reserves and surplus. As compared with the preceding fiscal year, the total amount of revenues absorbed by wages and salaries increased about $163,000,000 and the investors' share declined by about $100,000,000. Or in percentage terms, the wages and salaries proportion of the remainder of the revenues available for wages and salaries and for investors increased from 71.5 per cent to 73.8 per cent, and the share of the investors fell from 28.5 per cent to 26.2 per cent."

To indicate "how the railways fared financially during the war years," the commission presented figures comparing the situation as of July 31, 1945, with that of December 31, 1941. The figures showed that the net current assets of the class I roads were up 137 per cent—from $799,000,000 to $1,896,000,000. Moreover, 63 per cent of the latter was in the form of cash and temporary cash investments, as compared with 47 per cent of the former.

The commission expected "further and substantial improvement in the net current asset position" by the close of last year by reason of (a) potential tax refunds as a result of the expedited amortization of defense facilities permitted under President Truman's September 29, 1945, proclamation ending the emergency with respect to that matter; and (b) the conversion into current assets of post-war excess profits tax credits under provisions of the Tax Adjustment Act of 1945.

"This more comfortable position," the report added, "will be of great aid to the carriers in facilitating the early restoration of maintenance which had to be deferred during the war period. It will also help in securing promptly the new and improved facilities they will require in order to provide adequate service and to enable them successfully to compete for post-war traffic."

Reduction of Debt

The reduction of railroad funded debt and fixed interest charges is a subject which is continuing to receive commission attention. In that connection it is stated that refunding issues approved during the 12 months covered by the report will effect a reduction of $491,057,414 in future interest charges. As of October 1, 1945, the commission had approved plans of reorganization for 32 railroads which required reduction in long-term debt not including unpaid interest, from $3,354,665,000 to $1,833,543,000, or approximately 45 per cent, "much of the latter being in the form of income bonds involving no fixed charges against income." The fixed charges under the 32 plans would be reduced from $148,865,539 to $40,113,369. At the time the report was prepared, proceedings had been terminated or plans had been approved in 75 per cent of the cases representing 90 per cent of the road mileage originally involved in reorganizations under section 77 of the Bankruptcy Act.

Argument in support of that legislative recommendation which called for enactment of S.1253 came in a section of the report devoted to "voluntary reorganizations." There the commission indicated that it might be able to ease

the pressure of its "wringer" if such legislation were passed.

"In our fifty-seventh annual report," it said, "we called attention to our practice in connection with the approval of plans of reorganization, by which we have sought to establish, through appropriate action by bondholders, a method for the postponement of the payment of fixed interest or contingent interest, payable under the terms of a mortgage. . . . We stated further that we were giving consideration to a possible recommendation that the Congress adopt legislation which would provide for the application of such a provision to all railroad mortgages under which bonds were outstanding, whether or not reorganization procedures had been instituted.

"Under the method indicated, a modification of the terms of the securities concerned would be effected by the concurrent action of the railroad company and the holders of not less than 75 per cent in principal amount of all bonds at the time outstanding under the mortgage, subject to our approval or the approval of any regulatory body having jurisdiction in the premises. The provision for such a method is advantageous because of the possibilities which it offers for the avoidance of judicial reorganization and the delays incident thereto. Its inclusion tends somewhat to lessen the necessity for the strict limitations in the debt and interest charges of companies undergoing reorganization which otherwise are necessary in view of the wide fluctuation in railroad earnings experienced in the past and which may be expected in the future.

"The application of such a provision generally to all mortgages under which bonds are already outstanding would be accomplished under the provisions of S.1253 . . . which has our endorsement. . . . It is our opinion that this legislation, if enacted, would materially aid in promoting the public interest, increase the stability of railroad securities, with resulting greater confidence therein by investors, and promote a more sound financial condition by avoiding prospective financial difficulties."

Competitive Bidding

The competitive bidding which the commission now requires generally in connection with the sale of railroad securities has brought "satisfactory" results in "all but a few cases," the report said.

One sale during the period under review was called "not satisfactory." It was an offering of three Southern Pacific issues totaling $125,000,000. In the bidding for the three series of bonds collectively, only one bid was received and the bonds were sold to that bidder.

"The sale was not a satisfactory one," the report went on. "The manager of the successful syndicate—long the regular banker for the company—formed a group which included most of the principal underwriters of the nation. As a consequence of this and of the size of the issue the formation of even one other bidding group was difficult and competition was substantially eliminated. The price received by the company was thus adversely affected. This experience suggests that the present available underwriting capital in this country is hardly sufficient to afford effective competition on a very large issue. It is to be hoped that the better spacing of maturities and the steady retirement of debt through the operation of sinking funds and otherwise will soon eliminate the necessity of issues that are too large for actual competition."

The comment on railroad accidents said that substantial improvement in the record cannot reasonably be expected until shortages of materials and skilled employees are overcome and the backlog of deferred repairs has been cleared up. Neither did the commission yet see much prospect of early relief from these labor and material shortages.

"As restrictions are removed and employees become available," the report added, "the interrupted improvement programs should be resumed by the railroads, and installations of safety devices and systems, shown to be needed as a result of inadequacies of present installations, should be promptly undertaken. Installations of such devices and systems should also be made on lines not now so equipped, where there is need for additional safeguards."

With respect to "electronics in transportation," the commission mentioned several experimental train communication installations, summing up the discussion this way: "Improvements in railroad operation by use of train communication systems is indicated. However, there are limitations as to distances within which communication can be maintained, and their reliability under adverse weather and climatic conditions, and when interference may be encountered if parallel, crossing, or converging lines are equipped with these systems, has not yet been fully determined. The practical use of such systems to increase safety of railroad operation is to some extent now in the experimental and development stage."

The remainder of the report embodies the usual separate accounts of the work of the commission's various bureaus.

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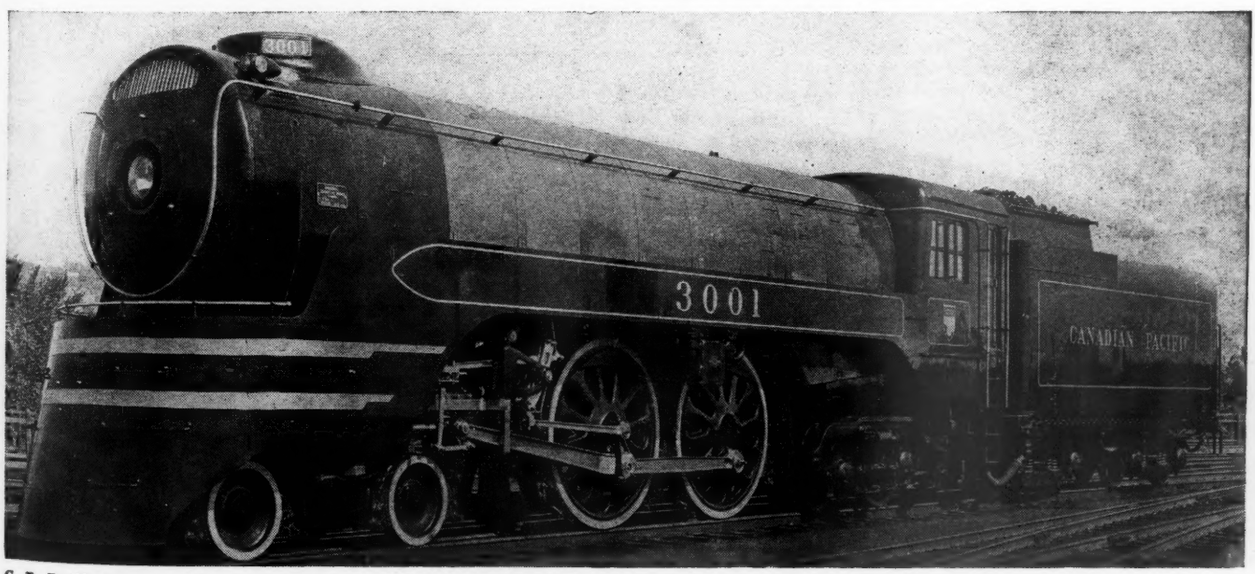


C. P. R. Photo

This Canadian Pacific 3000 locomotive is designed for fast passenger service

GENERAL NEWS

Railroad Publicized to Investing Public

Halsey, Stuart pictorializes Reading's attractions to investor

The investment firm of Halsey, Stuart & Co. has issued a handsomely pictorial, 34 page (9 in. by 12 in.) survey of the traffic, earnings, and physical and financial characteristics of the Reading Company.

In thus according such rather unusual publicity to the attractions of a railroad enterprise, Halsey, Stuart & Co. explains that:

"Today's railroads are a revitalized and, to a large extent, a reorganized industry both from the standpoint of operation and financial structure. The industry is one for which the public has a new respect and appreciation growing out of its amazing war-time record of achievement. Instead of being a declining industry it appears to be entering a new phase of development which, if not as expansive and dynamic as its earlier phases, promises to be at least more stabilized and certainly no less necessary to the growth and well-being of the nation."

"In point of mileage," the investment firm's booklet goes on to say, "Reading Company . . . can make no claim to top ranking position among the railroads of the country. Yet in point of tonnage carried, density and diversity of traffic, strategic location and adequate and modern facilities it easily qualifies among the nation's important carriers. In its historical background, its contributions to progress both in railroading techniques and in the development of the areas served, also in the alertness and capabilities of its operating staff, it occupies, in informed circles, an acknowledged place of leadership." Yet because Reading facilities are somewhat localized in character, and because over a long period of time it has made few demands on the financial markets, its importance as a carrier and its well entrenched credit position are not as widely recognized as its situation justifies. It is with the thought of presenting the Reading's impressive and interesting story for quick and easy reading that this visualization of its background, its territory, facilities and personnel has been prepared."

The publication's cover is a pictorial map of the Reading, with its concentrations of industry, coal, cement, limestone, gravel and sand, stone, and iron ore indicated along the route. Maps are also employed to show the location of important terminal and bridge lines, and the location of every industry along the road which ships or receives carload freight. Graphs are used to compare Reading tonnage with that of other railroads, railway operating revenues with national income, Reading bridge and terminal traffic with total traffic, and to show Reading's net capitalization-property investment ratio, composition of traffic revenues, dividend payments and net earnings, reduction in interest and rentals, and interest earning record.

Among the subjects covered in the pamphlet are the company's history, the cities it serves, raw material centers and industries served, equipment and facilities, the company's war record and its personnel situation.

T.P.&W. Moves First Train in Three Months

With a special police squad looking on and strikers booing and hurling rocks, the Toledo, Peoria & Western on January 15 moved the first freight train to travel over its track since the road was tied up by a strike on October 1. It was a three-car load of coal consigned to the Central Illinois Light Company plant which is about one mile from the T. P. & W. yards in Peoria, Ill.

According to officers of the road, the train was run by a crew of former employees who had decided to return to work despite union rules. At the same time it was reported that while union pickets booed the workers on the train and some even hurled a few rocks there was no further violence offered.

Livestock Embargo Declared by Officers of Two Stockyards

Because of the general unrest in the labor situation and the possibility of a nation-wide stoppage in the meat packing industry, the St. Paul (Minn.) stockyards on January 13 declared an embargo against all livestock shipments, either by rail or truck, to that market. Twenty-four hours later the Milwaukee (Wis.) yards announced that no shipments of livestock would be accepted after noon on January 14.

The principal reasons given for the refusal to accept cattle, hogs and sheep were (1) shippers feared that if a strike materialized with livestock in the yards and no apparent outlet for such livestock, the animals would be held in the yards at the shipper's expense until buying was resumed, and (2) packers are unwilling to risk being caught with heavy shipments of livestock while a general strike threatens.

Sees Easing of Rules on Pullman Service

Kendall predicts relaxation of restrictions within next few weeks

Present restrictions applicable to Pullman equipment for civilian use "may be relaxed somewhat within the next few weeks," according to the latest report on the "National Transportation Situation," issued January 15 by Chairman Warren C. Kendall of the Car Service Division, Association of American Railroads. The restrictions prohibit reservations of Pullman space for more than 14 days in advance and limit operation of sleeping car service to runs of more than 450 miles.

Mr. Kendall said that the relaxation appeared likely even though the demands of the military "for extensive use of Pullman cars and coaches for transportation of troops returning from overseas will continue at a high level for sometime." Meanwhile he reported that December had witnessed the peak in the return of Army and Navy personnel from overseas when "in excess of 1,000,000 were received at the East and West coast ports." The movement from the East coast ports to separation centers, Mr. Kendall went on, was handled "without difficulty"; but the arrival of men at West coast ports "was in such quantity as to overtax the capacity of the railroads to handle currently."

Cars Sent to West—To assist railroads serving the West coast, roads in other sections sent 1,600 coaches and baggage cars there. And the supply of sleeping cars has recently been augmented by deliveries of 30 cars a day on government order for 1,200 troop sleepers. "The rush to get these men home for Christmas" caused a mid-December "backlog" which at one time totaled about 100,000 men—"notwithstanding the fact that roads at that time were moving from 22,000 to 25,000 of the returnees away from the West coast ports daily." The "backlog" had been overcome, and arrivals were being taken care of currently when Mr. Kendall's present report was prepared.

The passenger equipment sent to the West coast has been handled empty westbound in special trains, the movement totaling about 650 cars daily, Mr. Kendall said. He added, however, that these operations have lately "been somewhat retarded due to severe cold, requiring increasing supervision against damage and loss of car days by freezing of pipes." Meanwhile, no coaches that can be used

(*Continued on page 205*)

Trains Are Promised for Summer Travel

Army will release equipment; improved service and new cars to follow soon

Travel conditions on the railroads, generally speaking, should be sufficiently improved by next summer for people to take trips that they have had to postpone during the period of peak troop movements, according to R. W. Brown, president of the Reading, who made this prediction in the course of a radio broadcast January 16, over Philadelphia's station WIP, in which he participated with officers of the Shippers Advisory Boards. The broadcast was a prelude to the meeting in Philadelphia the next day of the Atlantic States Shippers Advisory Board, one feature of which was a testimonial luncheon in Mr. Brown's honor.

According to the Reading president, there should be enough passenger equipment available for "civilian" service by next summer to take care of everybody who wants to travel. "The service may not be all the railroads would like to make it," he pointed out, "but I feel sure there will not be the congestion at stations and on trains we have seen from time to time in some sections of the country during the war. There should not be the difficulties in making reservations and buying tickets."

Fewer Troops by Summer—The reason the travel situation should be better by summer, Mr. Brown explained, is that military movements will have fallen off sharply by then, and the passenger cars which the eastern and southeastern railroads loaned the western lines to help handle military traffic eastbound from the Pacific coast will be back on their own lines.

He went on to say that the railroads will be called upon to handle 2,236,000 servicemen returning from overseas during the next six months, but this number is only about two and a quarter times what they had to move in the single month of December, 1945, on top of a record-breaking holiday traffic. From now until June, he pointed out, about 35 per cent of the returning servicemen will come in through New York and Newport News, Va., and the rest will arrive at Seattle, Wash., San Francisco, Cal., and Los Angeles. The number of men arriving on the East coast each month will drop from 210,000 in January to 96,000 in June, Mr. Brown stated, and the number on the West coast will go down from 444,000 in January to 183,000 a month during April, May and June.

Joseph A. Quinlan, president of the Atlantic States board, said that although the total freight traffic on the railroads in 1946 is expected to decline, there will not be any great change in the car situation for at least several months. "For one thing," Mr. Quinlan went on, "the grain movement, which broke all records last year, will continue heavy for at least the first part of this year, as large quantities are exported to war-ravaged countries. The coal movement will also be very heavy, largely for the same reason. Therefore, the demands for cars to move these commodities will still be great."

Declaring that it is impossible to predict with any degree of accuracy how much railroad freight traffic will decline this year, Mr. Quinlan stated that "the amount of freight traffic the railroads will be called upon to haul during the coming months will depend on production, which, in turn, hinges largely on labor conditions and how fast plants can be reconverted to peacetime manufacture."

Service Improvements—Although the railroads still have their war job to finish, Mr. Quinlan continued, they are making plans to improve their service. Their freight service of the future, he said, will be determined by the different types of traffic to be moved and the kind of transportation service needed to handle this business. This information is being gathered by surveys being conducted by railroads individually and collectively, he added, and research is being carried on so that trains can haul more freight on better schedules.

Clare J. Goodyear, president of the National Association of Shippers Advisory Boards, told the radio audience that improvements in railroad passenger service, like those in the freight service, "are being guided by the traveling public's likes and dislikes."

In describing the passenger train of the future, he said: "It is going to be more attractive, more comfortable and more convenient. New passenger cars will ride better, and will include new room arrangements, more attractive decorations, and improved seating, lighting and ventilation. Many of these cars will be adaptable to both day and night use and there will be a great increase in the number of private-room sleeping accommodations, which will be sold at prices little above that of the present lower berth." The speaker observed that the railroads are placing orders for approximately 2,100 passenger cars, all of which will embody the very latest developments, and many of these cars will be in operation before the end of this year.

Albert R. Beatty, manager of the Publicity Section of the Association of American Railroads, acted as the broadcast moderator.

Timely Lecture Series to Keynote 27th Metal Congress

Twenty leading authorities will engage in a series of five educational lectures on timely metal industry topics when the American Society for Metals hold sessions on February 7 and 8 during the 27th National Metal Congress, to be held in conjunction with the National Metal Exposition in Cleveland, the week of February 4 through 8.

Magnesium, induction heating, corrosion of metals, and the effect of surface stressing of metals on endurance in repeated loadings are the subjects to be covered in morning sessions at Hotel Statler and in afternoon gatherings at the Public auditorium, where the exposition is to be held.

Sees RR Success in Treating Folks Right

I. C. chief doesn't see future guaranteed, but alert leaders can make it

Wayne A. Johnston, president of the Illinois Central, in addressing the Traffic Club in Chicago on January 10, expressed no confidence in a belief that the railroads can look to future success by relying wholly on their intrinsic economy as a transportation tool. Instead, in his opinion, they will have to go out with vigor to make their service clearly superior to that of other agencies, wherever competition arises. As a general policy for success, he urged that management follow always a policy of doing what is right, rather than what is "merely sharp or expedient or hallowed by precedent."

"There's not much Merry Christmas and Happy New Year in the railroad outlook, as I see it," Mr. Johnston said. "The railroads as a whole are stretched almost to the bursting point with a combined civilian and military passenger traffic in which lie grave dangers to our service reputation. We are faced with labor difficulties, with new ones threatening to spring up any moment. Our railway plant as a whole badly needs replenishment. Standards of service have suffered and are only slowly recovering. We are beset by troubles all around us—troubles that it will take dull eyes to overlook and stout hearts to overcome.

"Suppose there were up for determination somewhere right now, perhaps in Congress, the simple question of existence—to be or not to be—for railroads, a suggestion that railroads be wiped out and that their plants be salvaged, destroyed or devoted to other purposes. What good, strong case could we then make for keeping our railroads? Ours is a rail-built civilization; it has been constructed on a railroad network serving and interrelating raw materials, manufacture and distribution; the nation could not long survive without railway service. That's a broad statement, made many times and accepted without very much question. In war, of course, there was no possible alternative to railway use. But how much longer is it going to be accepted as a fact of peacetime existence? At times railway speakers have hedged a little by saying that at least for heavy low-cost commodities that must travel in large volume we must always have railroads. The economy of railway service, especially in view of the small number of workers required per thousand ton-miles, is expected to remain practically unbeatable.

"But will it? Already the pipelines and the inland waterways are tough competitors in those respects; so are the coastwise and inter-coastal ship lines, not to speak of the vast traffic on the Great Lakes. With both air and highway carriers dealing in freight as well as passengers, and with post-war developments impending in packaging and change of form and location of industry, who can say for sure that combinations will not be worked out which will wound

the railway giant so grievously in his Achilles heel—his net revenue—that the whole vast organization may collapse and disintegrate, at least out of private enterprise, if not out of truly effective service altogether

"In thus painting so dark a basic picture, I do not want to be recorded as any 'bear' on the prospects of railway survival; on the contrary, I am very much a 'bull.' I think the railroads have possibilities which have never yet been fully explored. I expect them to survive a good many more than their second hundred years. I think we should not lean too much, however, on the argument that railway patronage is inescapable by certain regions or certain commodities. That's one sure way of challenging new services to arise. The one perfect solution is to keep our service so good everywhere it can be profitably rendered that competition cannot possibly succeed. That's postwar project No. 1 on every railroad I know anything about.

"Our war-time experience adds up to convince me of the following truths: That the railroads are *fundamental;* that they are the *basic* internal transportation agency; that they are the *only* over-all domestic carrier; that they are the *only* fully competent all-weather carrier embracing the North American continent; that they are the most *flexible* transportation agency, as evidenced by their handling of the precipitate traffic increase on their lines in the fall of 1939 and the continued increase in traffic that followed; that their personnel has the greatest *know-how* of any group in the science of transportation, as evidenced by the American Military Railway Service operations throughout the world; that the domestic railroad plant has a *stand-by* capacity undreamed of by those not intimately acquainted with the industry; that, since our national security is admittedly dependent upon railway capacity to serve at maximum effectiveness during crisis and emergency, railroads must be our *real* and *only* all-time transportation necessity.

"It should hearten us to know we are needed nationally and very likely will be needed for a long time to come. From the standpoints of service rendered, the railway investment has been a better one for the public as a whole than it has been for the owners of the properties and their mortgage-holders. The really big losers, if anything serious were to happen to current railway investment, would be the man and community who need railway transportation. In the interest of justice and better railway credit, the public needs to take a greater interest in the rewards received by those who have financed the railroads. If we are interested in the preservation of private enterprise, let us beware of holding railway earnings so low that the owners would be better off by a sale of their properties to the government.

"We are prepared to go forward into post-war railroading with modernized equipment and methods—and we have the money on hand and the orders placed to do that job rather adequately. We are prepared to safeguard our present traffic sources and to develop new ones as needed. Above all, we are fortified with a new understanding of human relations, both within and without our industry, and we have the inner willingness and belief to put our principles into practice in the old-fashioned American tradition of democracy and co-operative enterprise.

"In other words, we regard ourselves as no longer set in our ways. We have lived and learned, and we will live and learn more as we go along. Progress must be the railway watchword. The great present problem of the post-war railroad resolves itself into a complete and immediate understanding by management of the wants and needs, the likes and dislikes, the patiences and impatiences of those whom the railroads serve or seek to serve. These comprise owners, customers, workers, regulators—all human beings—all men and women as weak or as strong as the human beings who make up management itself. People *are* alike and *act* alike and *think* alike in far more ways than they differ. If given a reasonably clear-cut choice between right and wrong, for example, far more people will go right than will go wrong.

"For the railway manager seeking to simplify the maze of often-conflicting human relationships in which he finds himself enmeshed, a careful study of fundamental human nature would cause him to lay down for himself a general rule: 'When choice exists, firmly seek the *right* course, even if it is a new one, rather than the one that is merely sharp or smart or expedient or hallowed by precedent.' That way—the right way—lie harmony and progress and success.

"For the public and personnel relationships of the railroad, that principle boils down to another simple statement: 'Live right, and you'll be liked and respected, both at home and abroad.' Whole books have been written on the problems of public and personnel relations, and they have added up to little more than that. The more I think about it, the more I see the future of the railroads depending almost altogether on the judgments managements make with respect to the human beings with whom and for whom they work. Right at this moment there is considerable discussion of the future of private enterprise in the United States—but it all boils down in the long run to fundamental human understanding of benefits as opposed to disadvantages. No one expects perfection, but how clearly can we point out the extra weight by which the benefits overcome the disadvantages? Perhaps only by so living and working and serving as to make private enterprise shine out by comparison with the other methods available. Just as in the case of the railroads themselves, private enterprise will survive only by clear human understanding of what it is and how it serves and how greatly its merits entitle it to public preference and good will.

"This is fundamentally a moment for self-examination of true strengths and weaknesses, rather than for merely an appraisal of what the railroads are thinking about doing and offering in post-war public service. That is why I have not dealt extensively with new rail, of which there will be plenty, or new and different cars or possible added speeds and comforts and economies and special services, of all of which there will be many, too. That can all be taken for granted. True strength and confidence arise from having sound policies, from facing realities, from never underestimating difficulties and dangers. The railroads have plenty of that spirit. So let's get going and make 1946 the year we were waiting for: the year that proves —in peace as in war—that America must have railroads."

Traffic Club of Washington Annual Dinner

The thirty-ninth annual dinner of the Traffic Club of Washington, D. C., will be held at the Mayflower Hotel in that city on Thursday evening, February 7.

A.A.R. Signal Section Plans 3-Day Annual Session

The 48th annual meeting of the Signal Section, Association of American Railroads, will be held at The New Ocean House, Swampscott, Mass., October 14, 15 and 16, R. H. C. Balliet, Section secretary, has announced.

A. A. R. Signal Section Elects Its 1946 Officers

The Signal Section, Association of American Railroads, has announced selection of the following as officers for the current year: *Chairman,* E. W. Reich, supt. tel. and sigs., Reading; *first vice-chairman,* L. B. Porter, supt. tel. and sigs., Chicago, Milwaukee, St. Paul & Pacific; and *second vice-chairman,* J. A. Beoddy, supt. tel. and sigs., Norfolk & Western.

Elected to the committee of direction were E. S. Taylor, sig. engr., Canadian Pacific, and R. W. Troth, sig. engr., St. Louis-San Francisco. The latter two terms expire December 31, 1949.

Army Honors Siddall

The War Department's highest civilian award—the Certificate of Appreciation—was conferred on January 8 upon Hugh W. Siddall, chairman of the Transcontinental & Western Passenger Association at a ceremony held in Chicago's union station. In conferring the honor, Col. I. Sewell Morris, commanding officer of the Sixth Transportation zone, said that avoidance of travel rationing during the war period was largely due to the "efficient role played by Mr. Siddall as chairman of the Interterritorial Military committee," a position in which he represented the passenger departments of all the railroads and at the same time maintained direct liaison with officers of the Army Transportation Corps for the mass movement of troops by rail.

Pacific Railway Club Discusses Passenger Car Program

Recognizing the timely interest in passenger train equipment for use in meeting competition on the highways and in the air, the Pacific Railway Club presented a program on this subject at its San Francisco, Cal., meeting on January 8, and at a meeting in Los Angeles, on January 10. Included among the speakers at both meetings were Colonel E. J. W. Ragsdale, chief engineer of the Edward G. Budd Manufacturing Company, and Otto Kuhler, engineer of design of the American Car & Foundry Co. An additional speaker at San Francisco was L. C. Ioas, assistant to vice-

president, system passenger traffic, Southern Pacific, who told of the railroads' plans for modern equipment in the post-war period. At the Los Angeles meeting, Doctor F. C. Lindvall of the California Institute of Technology was one of the speakers, addressing himself to the general subject of dynamic suspension of rail cars. A motion picture on streamlined passenger equipment and illustrative slides were shown at both meetings.

Freight Car Loadings

Loadings of revenue freight for the week ended January 12 totaled 772,558 cars, the Association of American Railroads announced on January 17. This was an increase of 120,101 cars or 18.1 per cent above the preceding week (which included the New Year holiday), a decrease of 10,502 cars or 1.3 per cent below the corresponding week last year, and a decrease of 6,973 cars or 0.9 per cent below the comparable 1944 week.

Loading of revenue freight for the week ended January 5 totaled 652,457 cars, and the summary for that week, as compiled by the Car Service Division, A. A. R., follows:

Revenue Freight Car Loading

For the Week Ended Saturday, January 5

District	1946	1945	1944
Eastern	126,560	122,921	147,830
Allegheny	139,645	145,587	166,091
Pocahontas	45,992	50,197	55,880
Southern	108,134	113,277	117,790
Northwestern	74,750	72,483	88,964
Central Western	103,581	112,632	120,616
Southwestern	53,795	66,301	72,458
Total Western Districts	232,126	251,416	282,038
Total All Roads	652,457	683,398	769,629
Commodities			
Grain and grain products	43,912	39,563	54,730
Live stock	20,804	15,349	17,179
Coal	146,183	149,091	177,141
Coke	12,848	12,988	14,992
Forest products	26,090	31,145	37,547
Ore	9,133	9,873	14,453
Merchandise l.c.l.	97,855	89,364	99,995
Miscellaneous	295,632	336,025	353,592
January 5	652,457	683,398	769,629
December 29	.....	506,151	584,876
December 22	.....	688,300	762,972
December 15	.....	771,594	750,242
December 8	.....	776,375	793,156

In Canada.—Carloadings for the week ended January 5 totaled 50,700, as compared with 42,322 for the previous week and 50,243 for the corresponding period last year, according to the compilation of the Dominion Bureau of Statistics.

Totals for Canada:	Total Cars Loaded	Total Cars Rec'd from Connections
January 5, 1946	50,700	28,774
January 6, 1945	50,243	27,703
Cumulative Totals for Canada:		
January 5, 1946	50,700	28,774
January 6, 1945	50,243	27,703

See Easing of Rules on Pullman Service

(*Continued from page 202*)

for the movement of military personnel are being placed for movements of prisoners of war. In this connection, the C. S. D. chairman explained that the required movement of 80,000 prisoners a month is being handled under coordinating arrangements which provide that the prisoners shall move on days when coaches moving deadhead can be made available.

Mr. Kendall's general comment on the freight situation said that the demand for cars "continues seasonally heavy," notwithstanding the "current difficulties in the industrial reconversion program." This is particularly true of box and refrigerator cars. Among factors contributing to the tight situation are strikes and the five-day week which have tied up equipment and increased its turn-around time. Also, there have been interferences to operations due to cold and storms, and the unseasonal warm weather and heavy rains causing flash floods in Central Western territory. The December turn-around time for cars was given by Mr. Kendall as 16.7 days compared with 16.2 days in December, 1944, and 15.5 days in December, 1943.

Box Cars Still Short—Reporting on the situation by types of cars, the C. S. D. chairman said that there are still some deficiencies in the supply of box cars, particularly on Western roads. Although total carloadings fell off during the latter part of December, the traffic in commodities loaded in box cars "decreased only slightly as compared with the high level which has been maintained since V-J Day." Eastern and Southern roads are continuing deliveries of empty box cars to Western district roads, such deliveries from November 1 to January 6 having totaled 70,365 cars or an average of 1,050 daily. Since January 1 the daily deliveries have averaged 1,414 cars.

The supply of automobile cars remains adequate, since there has been "no change in the unsettled conditions in the automotive industry." The demand for stock cars "continues heavy," and the supply has been "extremely tight, resulting in some delays in filling all orders currently." The continued tight refrigerator car situation has brought shortages for fruit and vegetable loading in California, Pacific Northwest, Utah, Idaho, Red River Valley, Nebraska, Colorado, and Rio Grande Valley. There are also shortages in other areas where "reefers" are required for other commodities.

"Refrigerator car loadings in 1945 were heavier than in any previous year and advance estimates indicate that there will be further increases during 1946," Mr. Kendall went on. "The car supply will continue tight in all producing areas. It is increasingly important that refrigerator cars be released promptly and empties given prompt handling."

Coal Cars in Demand—With respect to coal cars, the C. S. D. chairman predicted that there will be demand for every ton of coal that can be produced in this year's first quarter, and he added that this means "continuance of heavy requirements for coal cars." He also mentioned the "strong probability" that West coast ports will be used for the exporting of available Western coal to China and Europe. In this connection Mr. Kendall went on to say that export movements through "widely scattered ports" are already having "a very serious effect on car supply"; and "if deficiencies at mines are to be avoided, the closest possible cooperation of shippers and receivers in the prompt release, and of carriers in expediting the movement of coal cars, will be necessary."

The demand for gondolas is heavy in the Pacific Northwest for lumber shipments, in the head-of-the-lakes area for pulpwood and coal, and at Atlantic ports for returning used war materials. However, the supply "generally is adequate and sufficient cars have been moved into districts requiring assistance"; so "no deficiencies are anticipated." The "comparatively light" demand for flat cars has made the supply adequate with a number of roads reporting a surplus of shorter cars. The seasonal decline in the demand for covered hoppers has been in evidence for some time, but any surplus has been assigned to shuttle service for the movement of grain from elevators to ports for export.

Accumulations of l.c.l. referred to in the December report "have been largely worked off and the situation at this time in these respects is substantially normal," Mr. Kendall said. These conditions, he added, have been brought about largely by the placing of embargoes; and he stated later that some embargoes may have to be reissued if new accumulations of freight result from continuation of trucker strikes in the Middle West.

Conditions with respect to the interchange of carload shipments with the National of Mexico are less favorable than a few weeks ago. "The accumulation of cars awaiting movement at the border became so excessive," Mr. Kendall said, "that it was necessary on January 10 to suspend all loading against the embargo until January 21, at which time the situation will be reviewed to determine if movements through the ports are sufficiently liquid to justify cancellation of the suspension order."

Car Detention Up Sharply—December car detention reports indicated that the percentage of cars detained by shippers beyond the 48 hours free time was 19.07, "the highest record of detention since December, 1943, when the figure was 21.3. The November, 1945, figure was 16.53 per cent. "Whatever is the cause of this increased detention," Mr. Kendall said, "it is apparent that same is responsible to a marked degree for the existing rather tight freight car situation, and it is a definite demonstration that all receivers of freight cars should be impressed with the need for prompt release of cars."

The report's figures on the supply of equipment showed that there was a decrease of 91 in the number of serviceable freight cars—December 1 compared with November 1. The bad-order percentage on December 1 was 4.1 compared with 2.9 per cent on November 1, 1944.

Court Approves Monon Revamp

Thirteen years of receivership ended for the Chicago, Indianapolis & Louisville on January 11 when Federal Judge Michael L. Igoe at Chicago gave final approval of that road's reorganization plan. The plan which has also won the approval of the Interstate Commerce Commission and a two-third majority of the various classes of security holders, wrote off $14,000,000 in defaulted interest, reduced capitalization of the road from $42,250,000 to $30,000,000,

and provides for the appointment of three reorganization managers.

New securities issuable under the plan, and to be dated January 1, 1943, include first and second mortgage income bonds totaling $16,500,000 and Class A and B common stock totaling $13,500,000 at $25 a share for either class.

The property was relieved of fixed interest charges of $1,500,000 a year, and substituted for them will be contingent charges of $1,005,704 including $705,704 of contingent interest on new income bonds, $100,000 of sinking funds for bond retirement and $200,000 for additional and betterment funds.

Two Roads Pay "Smoke" Fines

On the grounds that they have done "everything possible" to eliminate violation of Chicago's anti-smoke ordinance, the Chicago & North Western and the Chicago, Milwaukee, St. Paul & Pacific have each paid $200 fines rather than accept a court's offer to take more time in an effort to comply with the law. A third railroad, the Pennsylvania, which was also charged with a similar offense, accepted the offer of Judge Francis Borelli and was granted a continuance to March 5.

Representatives of the North Western and the Milwaukee told the court that their respective roads had entered orders for a substantial number of Diesel-electric switching engines as a means of avoiding the smoke nuisance and had also instructed engine crews in the yards to do "everything possible" to overcome smoke.

The Pennsylvania meanwhile accepted the stay in the belief that further improvements could be made. This road, which uses the same yards, faced payment of a fine of only $100.

Ill. Cen. Survey Shows Good Market in South America

Prospects are bright for larger sales of United States' railway equipment, appliances and materials in South America and the time now is ripe for expansion, according to two foreign trade emissaries of the Illinois Central System, who have just returned from a four-month, 15,000-mile tour of Latin America.

Philip A. Webb, Jr., general traffic agent at Chicago, and Jose M. Giralt, general agent at Havana, Cuba, visited 20 marketing and manufacturing centers in Brazil, Uruguay, Argentina, Chile, Bolivia, Peru, Ecuador, Colombia and Venezuela, while surveying conditions and opportunities for trade and interviewing hundreds of prospective customers and shippers.

"Everywhere we went we found that United States' products are in heavy demand and have a good reputation," the trade emissaries reported. However, European countries, already are re-establishing trade outlets, Great Britain has made token shipments of automobiles, and many foreign concerns have publicity campaigns well under way. United States manufacturers may be more interested just at present in supplying the pent-up domestic demand than in exporting but immediate action is essential if the Latin American market is to be cultivated.

The general condition of railway equipment, tracks and other facilities is considerably inferior to that of our railways, Mr. Webb reported. The modernization of their railways is essential in conjunction with the large amount of construction now under way and in prospect in practically all South American countries. Railway equipment generally is of smaller types than our own and design must of necessity be adapted to their specific requirements.

South Americans were reported to be skeptical that manufacturers in this country would take advantage of the current situation and would let their foreign customers wait until domestic demands have been supplied. As Latin Americans view the situation, Mr. Webb pointed out, manufacturers and suppliers here should feel obligated to allocate a proportion of their production to supply South American needs along with those of their domestic customers. Failure to do so will mean that they will be forced to buy from other sources that are anxious for the trade.

Consumer demand is at its strongest, according to observations of Messrs. Webb and Giralt, in Brazil, Argentina, Colombia and Venezuela. Products contributing to economic welfare—such as machinery of all kinds, automotive and transport equipment, agricultural implements, iron and steel articles, other manufactured articles of various kinds, as well as foodstuffs and specialties for consumption and use in factories—are usually found on the preferred lists, and strong demand for them exists.

November Truck Traffic

Motor carriers reporting to American Trucking Associations, Inc., transported in November, 1945, a total of 1,792,811 tons of freight, a decrease of 8.1 per cent below the 1,951,335 tons transported in October, and a drop of 9 per cent below the November, 1944, total of 1,969,522 tons. The A. T. A. index number, based on the 1938-1940 average monthly tonnage of the reporting carriers, was 165.1 for November.

The foregoing figures, according to the A. T. A. statement, are based on reports from 206 carriers in 37 states. Truckers in the Eastern district reported tonnage decreases of 7.2 per cent below October and 9.8 per cent below November, 1944. In the Southern region the decrease under October was 15.1 per cent while the drop below November, 1944, was 13.4 per cent. Decreases in the Western district averaged 8.2 per cent below October and 5.5 per cent below November, 1944.

N. Y. C. Issues Booklet on Reinstatement of Veterans

The office of the vice-president, personnel, of the New York Central has issued a booklet entitled "The Veteran Returns," to guide "supervisors handling the return of war veterans to our service." The booklet states the legal position, and intentions, of the railroad in the reemployment of all discharged personnel of the military services and merchant marine, who left the New York Central to join the armed forces.

Stress is laid on the necessity for cooperation with the appropriate labor organization in the resolution of problems involving type of work and seniority, with special emphasis on cases involving disabled veterans. The booklet also states that the New York Central will encourage returning veterans to take leaves of absence so that they may obtain education under the "G. I. Bill of Rights."

It is requested that the vice-president, personnel, be advised of all instances in which a veteran cannot be returned to his former occupation.

A. R. E. A. Nominations

As the result of the action of the Nominating committee of the American Railway Engineering Association, presented to the Board of Direction of the association recently, the following nominations for officers of the association will appear on the ballot to be mailed shortly to members:

President, J. B. Akers, assistant chief engineer, Southern Railway System, Washington, D. C.; vice-president, Armstrong Chinn, chief executive officer, Alton, Chicago; directors (three to be elected), C. H. Blackman, chief engineer, Louisville & Nashville, Louisville, Ky.; W. J. Hedley, assistant chief engineer, Wabash, St. Louis, Mo.; J. S. McBride, chief engineer, Chicago & Eastern Illinois, Chicago; J. M. Symes, vice-president, Pennsylvania, Western region, Chicago; J. F. Pringle, vice-president and general manager, Canadian National, Toronto, Ont.; E. C. Vandenburgh, engineer of maintenance, Chicago & North Western, Chicago; E. E. Oviatt, chief engineer, New York, New Haven & Hartford, New Haven, Conn.; S. E. Armstrong, engineer maintenance of way-system, New York Central, New York, and H. F. King, special engineer, Erie, Cleveland, Ohio.

For members of the Nominating committee (five to be elected): R. P. Hart, chief engineer, Missouri Pacific, St. Louis, Mo.; O. G. Wilbur, assistant to engineer of buildings, Baltimore & Ohio; T. A. Blair, assistant chief engineer, system, Atchison, Topeka & Santa Fe, Chicago; C. B. Bryant, assistant to vice-president in charge of research and tests, Southern Railway System, Washington, D. C.; L. T. Nuckols, engineer maintenance of way, Chesapeake & Ohio, Richmond, Va.; L. L. Adams, assistant chief engineer, Louisville & Nashville, Louisville, Ky.; F. J. Bishop, engineer maintenance of way, Toledo Terminal, Toledo, Ohio; C. H. Fox, special engineer, Canadian Pacific, Winnipeg, Man.; W. H. Brameld, assistant to chief engineer maintenance of way, Erie, Cleveland, Ohio; and W. D. Simpson, chief engineer, Seaboard Air Line, Norfolk, Va.

In addition to the above names to be ballotted on, C. J. Geyer, general manager, Chesapeake & Ohio, will be advanced automatically to the position of senior vice-president.

Eastern Passenger Agents Elect Officers

At the luncheon held in the Waldorf Astoria hotel, New York, January 3, the General Eastern Passenger Agents' Association elected the following officers to serve during the coming year: *President*, I. W. MacMullin, division passenger agent, Pennsylvania; *vice-president*, F. H. Rainey, general passenger agent, Hudson River Day Line; *secretary*, Joseph V. Fagan, general eastern passenger agent, Norfolk & Western; *treasurer*, J. L. Hackett, division passenger agent, Baltimore & Ohio; and *assistant secretary*, L. J. Irvin, assistant general passenger agent, Florida East Coast.

With the Government Agencies

I.C.C. Summarizes 1944 Accident Data

Shows fatality rate at new low despite war hazards and record traffic

Railroad accidents of all kinds during the calendar year 1944 resulted in 4,781 deaths, a decrease of 3.26 per cent under the 1943 total of 4,942, and passenger fatalities decreased 5.28 per cent, from 265 to 251, although a larger passenger-miles total was reported, according to Accident Bulletin No. 113, which was made public January 16 by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. The over-all volume of traffic was 0.86 per cent greater in 1944 than in the previous year, as measured in train-miles, resulting in a fatality rate for 1944 of 4.07 persons per million train-miles, a new low record since these data have been compiled, and a substantial reduction below the 4.24 reported for 1943, the best previous year.

An increase of 1.51 per cent in the number of non-fatal injuries to all persons was reported in 1944, however, as compared to the previous year, the respective totals being 61,227 and 60,317. This figure was higher than in any recent year, but fell considerably below 1929's 76,979. The frequency rate for non-fatal injuries likewise showed some increase in 1944 as compared to 1943, the figures being respectively 52.1 and 51.8 persons per million train-miles. The number of non-fatal injuries to passengers, however, dropped in 1944 to 5,763 from the previous year's 6,155, the equivalent frequency rates being, respectively, 60.2 and 70.0 per billion passenger-miles.

The reduction in the number of passenger fatalities in a period of larger volume of travel resulted in a substantial improvement in the frequency rate for 1944 as compared in 1943, the respective figures being 2.62 and 3.01 per billion passenger-miles. While the 1944 total of passenger fatalities exceeded that of any recent year except 1943, the frequency rate was lower than in 1943, 1940, or 1938.

Of the 251 passenger fatalities reported for 1944, 181 resulted from train accidents, and the bulletin comments that 93.37 per cent of the latter resulted from 7 accidents, as follows (the year in each case being, of course, 1944): A collision January 13 on the Atchison, Topeka & Santa Fe; a derailment July 6 on the Louisville & Nashville; a derailment August 4 on the Atlantic Coast Line; a collision September 14 on the Chicago & Eastern Illinois; a collision September 28 on the Chicago & Northwestern; and a derailment November 8 and a collision December 31, both on the Southern Pacific.

Casualties to Employees—Data on casualties to employees show that 978 were killed and 47,330 injured in accidents of all kinds in 1944. These figures represent a decrease of 0.20 per cent from the 980 fatalities reported in 1943, but an increase of 3.35 per cent from the 45,794 non-fatal injuries for that year. The total of non-fatal injuries to employees exceeds that for any year since 1929, and with the exception of 1943 the same is true of fatalities. As a result in a further increase in the number of man-hours worker (from 3,690 million in 1943 to 3,843 million in 1944), however, the frequency rate for employee fatalities per million man-hours showed a decline, as compared with 1943, from 0.266 to 0.254, and the frequency rate for non-fatal employee injuries per million man-hours declined from 12.41 to 12.32. The latter figure is still higher than for any year since 1929, except 1943.

Commenting on these figures, the bulletin said: "Whether or not the necessity for utilizing less experienced workers and for recalling retired employees to active service contributed to the increase [as compared to the 1940-1944 average, especially] cannot be determined from available data, although it may have had some influence aside from the additional hazards created by the movement of greatly increased traffic."

With respect to injuries to employees, the bulletin makes the usual estimate of the "economic loss" involved, on the basis of $5 per day per man. It calculates that 1,415,432 days were lost in 1944 as a result of temporary and permanent non-fatal injuries to employees, and the resulting "economic loss" is put at $7,077,160. At the same rate per day, the equivalent figure for earlier years was as follows: 1943, $7,780,970; 1942, $6,466,610; and 1941, $5,359,460.

Continuing the trend of recent years, scarcely interrupted in the past decade, total casualties to trespassers again fell off in 1944. The year's fatalities among that class of persons totaled 1,491, as compared to the 1943 total of 1,715; and the non-fatal injuries to trespassers were down from 1,343 to 1,147. Such data, the bulletin comments, further reflect the "influence of prevailing economic conditions upon accidents of this kind." Trespasser fatalities per million motive-power miles (locomotive-miles and motor train-miles) were 0.82 in 1944 as compared to 0.95 in 1943; the injury rate on the same basis was 0.63 as compared to 0.74.

Grade-Crossing Accidents—There was a reversal in 1944 in the downward trend in the number of rail-highway grade-crossing accidents which had coincided with wartime travel restrictions, the total being 3,811 as compared to 3,781 the previous year. The totals of persons killed were 1,840 in 1944 and 1,732 in 1943; of those

(*Continued on page 210*)

Debt Refundings Cut Interest 25.73%

Annual charges reduced $20.8 million between June, 1944, and December, 1945

Railroad debt-refunding operations authorized by the Interstate Commerce Commission during the 19 months from June, 1944, to December, 1945, will reduce annual interest charges on the issues involved by $20.8 million or 25.73 per cent, according to the latest issue of "Monthly Comment on Transportation Statistics," published by the commission's Bureau of Transport Economics and Statistics.

Nearly $2 Billion Refunded—During the 19 months the commission approved finance applications authorizing the issuance of $1,835,092,000 par value of mortgage bonds by various classes of railroads for the purpose of refunding $1,936,024,668 of securities outstanding in the hands of the public. Noting that the refundings were designed "primarily to reduce interest charges," the bureau points out that the immediate debt reduction of 5.21 per cent is "comparatively small." It adds, however, that sinking funds have been provided "which will materially reduce this debt before maturity." Also, it calculates that the interest saving noted above "is equivalent to nearly one-fifth of the total debt reduction of $100.9 million."

"Over the life of the new refunding issues, the last maturity of which occurs in 2003," the "Comment" continues, "the total savings from these refundings is estimated at about $498.5 millions representing the total interest savings after premiums, discounts, expenses and commissions involved. Ignoring certain redemptions for cash and other related factors, the 46 authorizations for refunding will substitute 54 new indentures and issues for 76 older indentures and issues. . . . These authorizations will represent a sharp increase in the amount of obligations running for 25 years or less and a substantially equal decrease in those with a life of over 50 years.

Average Maturity Advanced 12 Yrs.—"The new issues will represent 1,784 debt years or an average of 33 years per indenture while the 76 old issues to be refunded represented 3,195 debt-years to maturity or an average of 42 years per indenture. At the date the refunding authorizations were granted these old issues had a total unexpired life of 1,658 debt-years or an average of a little more than 21 years per indenture. The new debt, therefore, has only 12 years longer to run to maturity on the average than the unexpired term of the old debt to be refunded."

The breakdown of the figures by classes of railroads shows that the Class I line-haul roads received during the 19 months 31 authorizations, involving refunding issues aggregating $1,491,633,000 to replace old issues aggregating $1,583,235,668. Here the annual interest reduction was from $66,813,091 to $49,265,164—a cut of 26.26 per cent, as compared with the 25.73 per cent average for roads of all classes.

"Abnormal" Expenses—Pursuing its efforts to "keep the record straight" with respect to railroad net earnings during 1945's last four months, when there were extraordinary charges for the expedited amortization of defense projects, the bureau states that the November, 1945, operating expenses, like those of September and October, were "inflated" by such extraordinary charges. A table shows that the November charges to amortization were $31,638,077 in excess of "normal," which is set up as the $8,190,938 in monthly charges reported by those roads continuing to amortize on a monthly basis, "plus minor adjustments."

From this total amortization charge of $39,829,015, the bureau deducts the $25,577,441 concurrently credited to railway tax accruals, thus arriving at a figure of $6,060,636 as the resulting reduction in November net railway operating income and net income. By like calculations, the resulting reductions in September and October net earnings are shown to have been $24,101,247 and $28,925,717, respectively.

"The important effect of these adjustments," the bureau goes on, "is indicated by the fact that the net reduction amounted to 8.99 per cent of the November, 1945, net railway operating income which would otherwise have been recorded. The percentage for September and October, 1945, was 35.4 and 34.7 respectively." The bureau estimates that as of December, 1945, approximately $336 millions remained as the unamortized balance of railroad expenditures for defense projects.

Freight Revenue Down 20%—The "Comment's" regular monthly review of revenues shows that the freight revenue of the Class I roads in November, on a daily basis, was 2.7 per cent lower than for October and 20.8 per cent under November, 1944. The freight revenue index (based on the 1935-1939 monthly average as 100) was 178.5, the lowest since March, 1942, when it stood at 171.5. October's index was 183.4.

November passenger revenue, on a daily basis, was 2.7 per cent more than for October and 3.8 per cent more than for November, 1944. The November passenger revenue index was 429.4 as compared with October's 418.3 and November, 1944's 413.9.

The discussion of the carloading outlook includes a warning that the refrigerator car situation "is currently more serious than at any time in the past four years, due to a decrease in the number of cars and increasing proportion of bad-order cars in need of heavy repairs, as well as an increase in the amount of goods to be shipped." The bureau adds that if the demand for transportation of perishables is met, "it will presumably be through the use of substitutes for this type of equipment."

High-grade box cars are also "extremely short in supply at present," the "Comment" goes on. "Reasons advanced for shortages," it continues, "include cars tied up due to labor difficulties, detention at ports, and the five-day week in many industries, which cuts days available for unloading. An informal estimate indicates that the supply of cars has been cut, in effect, about 10 per cent by the five-day week alone." With respect to coal loadings, the bureau predicts that the demand for coal is such that other consumers should absorb most of that produced even though the steel mills close down.

Large Shifts in Tonnage—Data presented on tonnage (excluding l. c. l.) originated and terminated by states in 1944 show that in that year the railroads originated 1,469 million tons, an increase over 1943 of 0.6 per cent as compared with a decrease of 0.4 per cent in tons terminated. By individual states the change in tons originated varied from an increase of 20 per cent in Nevada to a decrease of 22.7 per cent in South Dakota. Changes in tons terminated varied from an increase of 19.7 per cent in Virginia to a decrease of 30.7 per cent in Oklahoma. Treating the New England states as a unit (as the compilation does), the states are rather evenly divided between those showing increases and decreases, both in originations and terminations.

Pennsylvania in 1944 originated 17.21 per cent of the total U. S. tonnage and terminated 13.63 per cent, "both these highs being attributed to its coal traffic." West Virginia was next in importance in originations contributing 10.52 per cent of the national total, but terminated only 1.74 per cent, its shipments of coal being "largely interstate." Illinois ranks third in both tons originated and terminated, while Ohio ranks second in tons terminated but fifth in tons originated. Official Classification and Mountain Pacific territories had greater importance in 1944 as receivers of freight than as forwarders, while the reverse is true of Southern, Western Trunk Line and Southwestern territories.

The bureau's analysis of freight train performance data for the first 10 months of 1945 indicates that "in most cases the performance fell below the level attained in the same period of 1944." It is pointed out, however, that the 1945 averages "still reflected a great improvement over that of 1941, the last prewar year."

Cars 64% Steel—Another tabulation indicates the growth in the use of steel cars since 1920. It shows that in that year only 27.1 per cent of the freight-carrying cars on Class I roads were of steel construction; 38.2 per cent were equipped with steel underframes; and 34.7 per cent were of other construction, mostly wooden. At the close of 1944, 63.8 per cent of the cars were steel; 33.9 per cent steel underframe; and only 2.3 per cent of other construction.

The failure of the proportion of steel cars to increase more than three per cent during the 1941-1944 period is attributed to "the scarcity of steel during the war years and the intensive use made of all equipment available." The overall figures show that the number of steel cars increased 79.1 per cent, from 630,150 to 1,128,340, between 1920 and 1944, while the number with steel underframes declined 32.4 per cent, from 886,296 to 599,224 and those of other construction dropped 94.8 per cent, from 805,579 to 41,955.

"There has been an even more decided trend toward steel cars in passenger-train service," the bureau continues. "On December 31, 1920, Class I roads had 53,501 passenger-train cars in service, of which 15,111 (28.2 per cent) were steel; 6,573 (12.3 per cent) steel underframe; and 31,817 (59.5 per cent) of other construction, mostly wooden. At the close of 1944, the 37,837 passenger-train cars in service were distributed as follows: Steel, 31,283 (82.7 per cent); steel underframe, 5,631 (14.9 per cent); and wooden, 923 (2.4 per cent). All of the passenger cars of the Pullman Company as of the close of the year 1944 were of steel construction."

That the freight forwarders were doing better last year than in 1944 is indicated by the bureau's analysis of the quarterly returns of 50 forwarders reporting revenues of $100,000 or more per year, which show that for the first half of 1945 the reporting companies had a net income before provision for income taxes of $915,087 as compared with a deficit of $293,407 for the corresponding 1944 period. After income taxes, the net for the first half of 1945 was $552,652 as against a net deficit of $522,006 in the 1944 period. The average forwarder charge per 100 lb. of freight increased from $1.90 in 1944 to $2.03 in 1945, or 6.8 per cent.

Panama Canal Used to Ease Load on Western Railroads

The War Department has disclosed arrangements to afford some relief to western railroads in the movement to eastern destinations of service men being returned to this country from stations in the Pacific. Already one vessel sailing from Japan has arrived at New York, after passing through the Panama canal, and the West Point, the pre-war America, which is the largest passenger ship built in this country, was scheduled to sail from Manila with more than 7,500 men aboard in time to reach New York about February 3.

The Army's policy has been to avoid movements from the Pacific through the Panama canal to eastern ports, it was explained, because such routing normally adds about two weeks to the average ocean trip of five or six weeks, so slowing the return of the men and reducing the usefulness of the vessels. Exceptions are being made, however, in cases where the ships normally are assigned to Atlantic ocean service, as was the West Point, in view of the present surplus of shipping on all oceans.

Additional relief to the railroads will be afforded by arrangements for the return of prisoners of war to Europe through Pacific coast ports and the Panama canal, the War Department also has announced. So far as facilities permit, it is expected to move prisoners now held in the western half of the United States by this route, rather than through Atlantic coast ports, and thus to reduce the demand for railroad service in the direction of the heavy movement of American service men. Where empty equipment is moving to Pacific ports

to pick up more returning troops, it can be used to transfer prisoners to those ports without interfering with troop movements, it was pointed out.

Army policy contemplates the departure of the last prisoner of war from this country by the end of April. Already 1,650 Germans have been moved from Douglas, Wyo., and Greeley, Colo., through Seattle, Wash., and another 6,650 Germans and 4,500 Italians are scheduled for movement from Colorado, Utah and California points through California ports.

Air Lines Want More Letter Mail, Also Parcel Post

Recommendations looking toward a greatly expanded air mail service and lower postage rates on air mail were made by a spokesman for the air lines, former Congressman Robert Ramspeck, executive vice-president of the Air Transport Association, at a recent conference of industry representatives and officials of the Post Office Department which was called for a discussion of the results of studies the department has had under way of various proposals for altering air mail postage charges and service.

Mr. Ramspeck urged that the rate for domestic air mail postage be reduced at once to 5 cents per ounce, to be followed by further reductions until there would be no differential, ultimately, so far as nonlocal mail is concerned, between rates by air or surface carriers. As a means toward the more active promotion of air mail operations, he urged also that an air parcel post service be established. The postal service representatives indicated that the total weight of letter mail moving more than 300 miles is about 252,000,000 lb. annually. This compares with about 34,000,000 lb. of air mail transported in 1944. It was calculated that, under existing conditions, the use of air transportation for all letter mail traveling over 300 miles, with the 3 cents per ounce postage rate, would reduce postal revenue $48,000,000.

Bankruptcy Court Can't Settle Jurisdictional Disputes

The function of a federal court having jurisdiction over a railroad undergoing reorganization under the provisions of section 77 of the Bankruptcy Act is limited, insofar as railway union jurisdictional disputes are concerned, to that which is appropriate to a carrier under the terms of the Railway Labor Act, and does not extend to the interpretation in the first instance of contracts between the railroad and the unions or the granting of relief sought as a result of such adjudication, according to a decision of the Supreme Court of the United States in *Order of Railway Conductors vs. Pitney.* Justice Rutledge dissented in part from the majority opinion delivered by Justice Black.

The case grew out of a dispute as to whether certain runs within the Elizabethport, N. J., yards of the Central of New Jersey should be assigned to conductors represented for bargaining purposes by the O. R. C. or those represented by the Brotherhood of Railroad Trainmen, and involved an interpretation of contracts between the unions and the road. "Usage, practice and custom" must be taken into account and "properly understood," and "intricate and technical" factual questions must be considered, Justice Black pointed out. "An agency especially competent and specifically designated to deal with" matters of this nature has been created by Congress, he went on to say, referring to the National Railroad Adjustment Board.

The O. R. C. erred in applying first to the reorganization court for relief when it felt its agreement was being violated, and the court erred in making an interpretation of the contracts and thereupon finally adjudicating the dispute, the opinion indicated. The reorganization court acted properly, however, in instructing its trustees what action to take, it added, though such instruction should be no more binding on the adjustment board than the action of any carrier. The proper procedure would be to apply to the adjustment board for its interpretation of the agreements between the unions and the railroad, Justice Black pointed out, and judicial relief is available to make such interpretation effective.

Justice Rutledge agreed with the majority as to its assignment of responsibility to the court and the adjustment board, respectively, but he thought the O. R. C. was entitled to apply to the court for injunctive relief pending completion of the processes of review thus specified, else the court might be deprived of power to grant full relief subsequently if the final decision should require it.

W. V. Hardie Leaves I. C. C.

Announcement of the voluntary retirement of William V. Hardie from his post as director of the Bureau of Traffic of the Interstate Commerce Commission, after having served in that capacity since March, 1920, when the bureau was created, appeared in *Railway Age* of December 29, 1945, page 1064, and notice of his appointment as traffic consultant of the St. Louis-San Francisco followed in the January 12 issue, page 172.

Mr. Hardie was born at Hudson, N. Y., on July 20, 1881, and completed his education at the University of Texas in 1900.

Harris & Ewing

William V. Hardie

Before World War I he was traffic manager of the Oklahoma Shippers' Association, from which position he went to the Railroad Administration as assistant director of the Division of Public Service. His appointment to the I. C. C. came while he was associated with the traffic department of the Missouri-Kansas-Texas.

The commission's Bureau of Traffic was set up to handle enlarged responsibilities in that field resulting from the passage of the Transportation Act of 1920, absorbing the former Bureau of Tariffs, which became a section of the new bureau. Its development since that time has been under Mr. Hardie's guidance.

November Accident Statistics

The Interstate Commerce Commission on January 14 made public its Bureau of Transport Economics and Statistics' preliminary summary of steam railway accidents for November and the first eleven months of 1945. The compilation, which is subject to revision, follows:

Item	Month of November		11 months ended with November	
	1945	1944	1945	1944
Number of train accidents*	1,232	1,297	15,314	14,737
Number of casualties in train, train-service and nontrain accidents:				
Trespassers:				
Killed	94	104	1,454	1,392
Injured	94	84	1,121	1,071
Passengers on train:				
(a) In train accidents*				
Killed	...	13	56	138
Injured	131	263	1,617	1,684
(b) In train-service accidents				
Killed	6	6	65	54
Injured	227	220	2,554	2,590
Travelers not on trains:				
Killed	1	1	16	9
Injured	87	85	987	942
Employees on duty:				
Killed	79	64	801	874
Injured	3,692	3,731	42,906	42,780
All other nontrespassers:**				
Killed	196	238	1,840	1,806
Injured	668	678	6,265	6,130
Total — All classes of persons:				
Killed	376	426	4,232	4,273
Injured	4,899	5,061	55,450	55,197

* Train accidents (mostly collisions and derailments) are distinguished from train-service accidents by the fact that the former cause damage of more than $150 to railway property.

** Casualties to "Other nontrespassers" happen chiefly at highway grade crossings. Total highway grade-crossing casualties *for all classes of persons, including both trespassers and nontrespassers,* were as follows:

Persons:				
Killed	187	217	1,662	1,605
Injured	491	483	3,802	3,626

December Employment

Railroad employment decreased 0.59 per cent—from 1,406,239 to 1,397,936—during the one-month period from mid-November, 1945, to mid-December, and the December total was 0.18 per cent below the total for December, 1944, according to the preliminary summary prepared by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. The index number, based on the 1935-1939 average, was 139.2 for December, 1945, as compared with 136.6 for the previous month and 139.4 for December, 1944.

December, 1945, employment was above that of the corresponding month in 1944 in three groups, the increase being 1.04 per

cent in maintenance of way and structures, 2.42 per cent in executives, officials and staff assistants, and 3.33 per cent in transportation, other than train, engine and yard. The decline in the other four groups ranged from 0.45 per cent in maintenance of equipment and stores to 2.63 per cent in train and engine service.

As compared with the previous month, there was a decline in December in only one employment category, maintenance of way and structures, but this 5.13 per cent drop was sufficiently large to offset the increases in the other groups, ranging from 0.06 per cent in professional, clerical and general to 2.02 per cent in transportation other than train, engine and yard.

Representation of Employees

The Brotherhood of Locomotive Firemen & Enginemen has supplanted the Brotherhood of Locomotive Engineers as Railway Labor Act representative of Denver & Rio Grande Western locomotive engineers, according to results of a recent election which has been certified by the National Mediation Board. The vote was 326 to 296.

In other recent elections the Brotherhood of Railroad Trainmen supplanted the Railroad Yardmasters of America as representative of Cincinnati Union Terminal yardmasters, and it won over yardmen (foremen, helpers and switchtenders) employed by the Cincinnati, New Orleans & Texas Pacific from the Switchmen's Union of North America. Meanwhile the latter has supplanted the Order of Railway Conductors as representative of yardmen (conductors and brakemen) employed by the Indianapolis Union; and the National Organization Masters, Mates and Pilots of America has supplanted the Licensed Tugmen's Protective Association Local 16, International Longshoremen's Association, as representative of masters employed on Wabash car ferries.

Sergeants in the police department of the Southern Pacific have chosen the National Council Railway Patrolmen's Unions, American Federation of Labor; telephone, telegraph and signal department employees of the Georgia, the Atlanta & West Point and the Western of Alabama have chosen the Brotherhood of Railroad Signalmen of America; and foremen and supervisors in the Reading mechanical and electrical departments have chosen the Railway Employees Department, A. F. of L.

On the Erie and on the Southern and other lines of its system—the Alabama Great Southern, the Cincinnati, New Orleans & Texas Pacific, the Georgia Southern & Florida, and the New Orleans & Northeastern, the American Train Dispatchers Association has extended its coverage to embrace the entire craft or class of dispatchers, including chief, assistant chief and night chief dispatchers.

Car Service Orders

The Interstate Commerce Commission, by Amendment No. 2 to Service Order No. 369, has extended to March 15 the expiration date for that order, which establishes a scale of demurrage charges applicable to box cars. The commission's emergency regulations with respect to the allowance of free time on box cars held for unloading at or short of ports in coastwise, intercoastal or foreign commerce have been prescribed in a new Service Order, No. 434, effective January 18 to March 1, unless otherwise directed, and subject to suspension in case of extreme weather conditions. Except where less time is allowed in tariffs, free time on box cars so held is limited to 7 days, including Sundays and holidays.

Agent King's rerouting authority under the terms of Service Order No. 99 having been set to end April 30, unless otherwise directed, the same limitation has been put upon the life of King's Order No. 1, as revised. The fourth revised version of King's Order No. 7 provides that the authority there specified for rerouting in the northern and central sections of the country is to be applied to carload freight (rather than "freight traffic") when the necessity arises from congestion or accumulation (rather than "extreme weather conditions").

The expiration date of Service Order No. 340, revised, has been postponed to June 30 by Amendment No. 1. This order deals with minimum weights on westbound carload freight handled through transfer points west of the Mississippi river.

The commission required certain railroads serving Sioux City, Iowa, and Minneapolis-St. Paul, Minn., to deliver a specified number of empty plain box cars daily through those interchange points to the Great Northern and Northern Pacific in the period January 12 to 19 to relieve a "critical" shortage of such cars in the Northwest.

I. C. C. Summarizes 1944 Accident Data

(*Continued from page 207*)

injured, 4,216 in 1944 and 4,217 in 1943. The bulletin points out that there was a "conspicuous" reduction in the number of pedestrians killed and injured in crossing accidents, the total for 1944 of those "striking or being struck" by trains being 275 killed and 126 injured as compared to 304 killed and 150 injured the previous year.

Passenger automobiles were involved in 63.05 per cent of the total number of grade crossing accidents in 1944, or 3.09 points above the 1943 ratio. For 1941, the last pre-war year, the comparable figure was 70.25 per cent. Motor trucks were involved in 822 accidents with trains in 1944, as compared to 864 the previous year. Other data in the bulletin indicated that the frequency of crossing accidents, based on train-miles and automobile registrations, was lower in the period 1940-1944, when war regulations came into the picture, than in the pre-war period 1935-1939, although the rate increased in 1944 as compared to 1943.

In 1944 there were 19 employees on duty on trains killed as a result of accidents at highway grade crossings and 118 employees and 11 passengers injured. The comparable 1943 figures were, respectively, 12 killed, and 100 and 19 injured. Damage to railway property as a result of train accidents at highway grade crossings (not including damage less than $150 in any accident) totaled $382,565 in 1944 as compared to $430,738 in 1943.

Discussing train accidents (that is, those resulting from train operation in which railroad property damage exceeding $150 occurs), the bulletin points out that the number per million motive-power units (locomotive-miles plus motor train-miles) was still higher than in 1943, which was higher than in any year since 1929. The accident rates, on this basis, for the years in question were 8.94 for 1944, 8.87 for 1943, and 9.67 for 1929. The recent low was 4.82 for 1938. There were in all 16,258 train accidents in 1944, compared to 16,061 in 1943 and 13,380 in 1942. The 1944 total included 4,867 collisions, 8,673 derailments, and 31 locomotive boiler accidents.

1945 Great Lakes Traffic

The year 1945 set an all-time record for grain traffic on the Great Lakes, according to L. C. Turner, director, Waterways Transport Department of the Office of Defense Transportation.

During the 1945 season of navigation, Canadian and United States vessels carried 674,280,552 bushels of grain. U. S. flag vessels alone carried 371,683,645 bushels, exceeding the quota of 340,000,000 bushels set by the Department of Agriculture. Both the total movement and the movement in U. S. vessels established new records; and for the first time in the history of Great Lakes navigation American flag vessels carried more grain than Canadian vessels did.

Total bulk cargo traffic on the Great Lakes in 1945 was a trifle below the 1944 record volume, but greatly exceeded the peace-time record of 138,500,000 net tons set in 1929, Mr. Turner disclosed.

Tonnage figures for the two years follow:

	1945	1944
Iron ore	84,800,520	90,911,003
Bituminous coal	53,706,679	58,747,203
Anthracite	1,575,360	1,416,127
Grain	18,717,753	16,228,880
Limestone	16,318,193	16,852,171
Total	175,118,505	184,155,384

Truckers Withdraw Complaint on South's Express Rates

By an order issued last week, the Interstate Commerce Commission has dismissed without comment, at the complainants' request, the complaint, docketed as No. 29392, wherein the Southern Motor Carriers Rate Conference charged the Railway Express Agency with violating the Interstate Commerce Act by publishing rates that allegedly were less than reasonable, being on a "truck competitive" basis and therefore, it was said, less than prevailing truck rates, but making them available only between certain points. Filing of the complaint was reported in *Railway Age* of October 6, 1945, page 577.

Railroad Can Choose to Be or Not to Be Motor Carrier

Applying the Supreme Court's decision in the so-called Thomson case to Willett Company arrangements with the Wabash and the Pennsylvania, the Interstate Commerce Commission, Division 5, has ruled that a railroad conducting substitute truck-for-rail services can choose whether to assume for itself the status of a motor carrier or let its contract truckers hold the basic truck operating rights, under condi-

tions whereby they become virtually connecting carriers and participants in joint rates with the railroad. The Thomson case (*Thomson v. United States*, 321 U. S. 19) was that wherein the court reversed the commission and held that the Chicago & North Western was entitled to truck-operating certificates which the commission had awarded to that road's contract truckers.

In the present proceeding, No. MC-66462 (Sub-No. 5), the commission was confronted with a situation wherein the Wabash and the Pennsylvania wanted to continue arrangements for the performance by Willett of their substitute truck-for-rail service between Chicago and Gary, Ind.; but the Wabash wanted to obtain for itself the "grandfather" rights involved, whereas the Pennsylvania, not desiring the status of a motor carrier, wanted to leave the operating rights with Willett. The commission went along on that basis, granting a certificate covering the Wabash service to that road and a certificate covering the P. R. R. service to Willett.

The report's discussion leading up to those findings said that the proceeding raised two "important" issues as follows: "(1) In the light of the Thomson case can Willett, or for that matter any other carrier performing for a railroad a substitute truck-for-rail service, have as to such operations the status of a common carrier by motor vehicle even if both the parties so desire it; and (2) can a grant of authority to Willett as a common carrier by motor vehicle in respect of its future operations for the Pennsylvania be reconciled with the finding that in respect of its past operations for both the Wabash and the Pennsylvania the railroads have been the common carriers by motor vehicle."

Noting that the Thomson-case decision sustained the claim of the C. & N. W. to the certificates there involved, the commission goes on to assert that the court clearly did not intend to hold that under no circumstances could a railroad and the operator of motor vehicles used in its substitute truck-for-rail service so contract and so conduct their operations as to give to the motor vehicle operator rather than the railroad the status of a common carrier by motor vehicle offering, as an independent contractor, a special type of truck-for-rail motor common carrier service."

In support of the foregoing, the commission cited the Supreme Court's more recent decision in *I.C.C. v. Parker* (see *Railway Age* of June 23, 1945, page 1114) wherein, as the commission put it: "The court sustained a grant to a rail-affiliated motor carrier [Willett] of authority as a common carrier by motor vehicle to perform a substitute truck-for-rail service for its proprietary railroad [P. R. R.]. In doing so the court overruled an argument that such a grant could not properly be made without proof (which was lacking) that presently operating certificated independent motor carriers could not adequately serve the railroad's need and thereby necessarily negatived any argument based on the Thomson case to the effect that the rail-affiliated motor carrier to which the certificate was granted by the commission was not in any event the proper applicant as between it and its proprietary railroad. In so doing the court approved a grant to a legal entity other than the railroad of authority to perform a substitute truck-for-rail service for the railroad. . . ."

At the same time, the commission continued, the one supplying a rail-coordinated truck service as a common carrier by motor vehicle "must operate in all respects as such and must comply strictly with every requirement of the act whereas one who as an independent contractor supplies a rail-coordinated truck service for a railroad which itself assumes the status of a common carrier by motor vehicle has no such obligations." This means that there will have to be some change in Willett's arrangements with the P. R. R.

"In its future operations which are coordinated with those of the Pennsylvania," the report said, "Willett will be expected to comply with every requirement of the act applicable to motor carriers. Its status as respects the Pennsylvania will be virtually that of a connecting carrier. As such it will have to become, if it is not already, a party to the Pennsylvania's substituted freight service directory and thereby become a participant in the joint rates with the Pennsylvania which will apply on traffic transported by it. Issuance to it of the certificate herein granted is based on its *proposal* to operate as a common carrier by motor vehicle in substitute truck-for-rail service, and not on any proposal to continue operating as in the past, such past operations being those of the Pennsylvania under the doctrine of the Thomson case."

Both the certificate thus issued to Willett and that issued to the Wabash will be subject to the usual conditions designed to insure that the trucking operations remain auxiliary to P. R. R. and Wabash rail services. The commission paved the way for its favorable action on the Willett certificate with a finding that the trucker may hold the common-carrier certificate while continuing to hold its present permit authorizing contract-carrier operations in the same general territory.

Commissioner Patterson, dissenting-in-part, noted his disagreement with this finding that the dual operation would be consistent with the public interest. The majority report represented the view of Commissioners Lee and Rogers.

Materials and Prices

The following is a digest of orders and notices that have been issued by the Civilian Production Administration and the Office of Price Administration, since December 17, and which are of interest to railways:

Building Materials—Cast iron radiation, gypsum board and lath have been placed under a 60-days inventory limitation by the C. P. A. The restrictions apply to all persons using these items for production, maintenance and repair or for any construction.

It was emphasized that receipts of all building materials are limited by PR 32 to practicable minimum working inventory levels whether or not they are specifically listed on Table 1 of that regulation. The items listed in Table 1 are subject to an additional specific restriction.

With these three additions, specific inventory limitations now apply to receipts by users of the following building materials: lumber, steel, cast iron soil pipe, cast iron radiation, gypsum board and gypsum lath, copper wire and brass mill products.

The Civilian Production Administration pointed out that the restrictions on ordering more than needed described in the regulation apply to all materials covered by the regulation whether or not they are listed on Table 1. These restrictions are particularly important to assure that materials flow where they are currently needed and to prevent preemptive or multiple buying.

Lumber Stocks—Lumber stocks at sawmills and concentration yards continue to decline according to the C. P. A. which announced that the total inventory at these locations of 3,144,492,000 f.b.m. on Ocober 31, 1945 was 4.1 per cent less than the stocks on hand on September 30. Western stocks showed an increase of one-half of one per cent, which reflects the established custom of holding shipments of western pine below production during the dry season, but eastern stocks fell 7.4 per cent below the level reported at the end of September.

Mill and concentration yard stocks of both softwoods and hardwoods declined nationally in about the same degree. October figures showing a drop of 4.1 per cent for all softwoods and 4.2 per cent for all hardwoods.

The fact that stock depletion is still continuing is evidence of the heavy pressure on the lumber supply resulting from the demand for many uses for which lumber was denied during the war. Construction, particularly of housing, is the outstanding current activity accounting for the continued pressure on stocks. The situation is further aggravated by the drop in lumber production since the end of the war, attributed chiefly to the recent work stoppage in western sawmills and logging camps and the shortage of labor in other lumbering areas.

The position of mill and concentration yard stocks, by regions, as of October 31, and the percentage of change from the September 30, position, follows:

East		
Northeastern	234,957,000	17.4 % dec.
Appalachian	174,341,000	4.2 % *inc.*
North Central	50,612,000	3.5 % dec.
South Central	71,091,000	12.7 % *inc.*
Lake States	117,800,000	16.1 % dec.
South	1,116,847,000	6.9 % dec.
Total East	1,765,650,000	7.4 % dec.
West		
North Pacific	640,136,000	1.4 % dec.
South Pacific	494,639,000	1.9 % *inc.*
Northern Rocky Mt.	194,569,000	0.6 % *inc.*
Southern Rocky Mt.	49,498,000	11.8 % *inc.*
Total West	1,378,842,000	0.5 % *inc.*
U. S. Total	3,144,492,000	4.1 % dec.

Prices

Batteries — Dollar-and-cent ceilings established Nov. 15, on new battery chargers and new storage batteries declared surplus by the armed forces have been revised by O. P. A. in revised order No. 86 and amendment No. 1 to order No. 85 under supplementary order No. 94. Both are effective immediately.

Brick and Tile—A $2 a M increase in manufacturers' plant ceiling prices for clay and shale building brick, both common and face, and an 80-cents-a-ton-increase on hollow and clay drain tile have been authorized by O. P. A. This applies to products produced in California, Idaho, Nevada, Wyoming, Utah, New Mexico, Washington, Arizona, Oregon and Montana. The increases may be passed on to the consumer. Similar boosts previously had been authorized for producers east of the Rocky Mountains.

Clay Pipe—An increase of 11 per cent over March 1942, price levels on manufacturers' sales of vitrified clay sewer pipe and fittings, 6 in. in diameter and above, produced in southern California, Arizona and Nevada is authorized by O. P. A. in amendment No. 16 to revised regulation No. 206, effective Dec. 26.

Hemlock—Lake states ceilings on hemlock and all hardwood lumber except that cut for structural timbers, common dimension, and a few other items, have been increased 4 per cent by O. P. A. This will amount to $2 per M f.b.m. in prices of hemlock and between $2.25 and $2.35 in prices of hardwood cut in Minnesota, Wisconsin and Michigan. Distribution regulations will be amended to require resellers to absorb the increase. Amendment No. 4 to second revised regulation No. 222 and amendment No. 13 to regulation No. 223 are effective Dec. 26.

Machinery—Sellers of construction machinery and equipment who have increased their ceiling prices by 5 per cent in line with the interim price authorized Sept. 28, may continue to make deliveries at the higher prices through Jan. 31, O. P. A. ruled in amendment No. 25 to regulation No. 136, effective at once.

Plumbing Fixtures—An increase of 8 per cent over Oct. 1, 1941, manufacturers' prices for enameled cast iron plumbing fixtures, such as tubs, lavatories and sinks, has been authorized by O. P. A. to permit the industry to realize average peactime earning rate after increases in material prices and basic labor rates. Amendment No. 2 to order No. 48 to regulation No. 591 is effective Jan. 2.

Western Shingles—An increase of 20 cents per square in ceilings for mill sales of western softwood shingles in all standard grades became effective December 22. The increase was determined, O. P. A. said, after a study of producers' costs and is designed to assure recovery of costs by producers, including costs resulting from a recent increase of $1.50 per M ft. in West Coast log prices. A forthcoming amendment will require absorption of the mill price increases out of resellers' gross margins.

Construction

NEW YORK, NEW HAVEN & HARTFORD.—This road plans to place a concrete cap on the retaining wall at Black Street, Providence, R. I., to raise the height of the wall and hold the embankment in place, at a cost of approximately $20,000.

CHICAGO, ROCK ISLAND & PACIFIC.—This road has applied to the Interstate Commerce Commission for authority to construct 17.3 miles of road to comprise its relocated line between Ainsworth, Iowa, and Brighton.

SOUTHERN.—A contract has been awarded the R. J. Reid Contracting Company, Birmingham, Ala., for filling a trestle near Cook Springs, Ala., at an estimated cost of $46,500. Another contract has been awarded the same company for constructing a new bridge over Stinking Creek, near Lovick, Ala., at a cost of approximately $25,000.

SOUTHERN.—A contract has been awarded to L. G. Plant, Washington, D. C., for construction of the superstructure of a new coaling station at Connelly Springs, N. C., in connection with new coal, water and sand facilities to be built at this point. The entire cost of this project will be about $90,000.

SOUTHERN.—A contract has been awarded the Wright Contracting Company, Columbus, Ga., for filling a trestle near Glen Mary, Ala., at a cost of approximately $19,780, and work has been authorized for filling another trestle near Shelbyville, Ky., at a cost of approximately $155,800, but bids have not yet been awarded for this project.

BALTIMORE & OHIO.—This railroad has awarded the following contracts: for the construction of a substructure to its bridge at Point Pleasant, W. Va., at estimated cost of $680,000, to the John F. Casey Company of Pittsburgh, Pa.; for the construction of an engine terminal at East St. Louis, at estimated cost of $1,234,000, to the Frazier-Davis Construction Company of St. Louis, Mo.; and for the construction of a freight house at Chicago, at estimated cost of $145,000, to the George Sollitt Construction Company of Chicago.

Supply Trade

Arnold J. Reardon, formerly aeronautical maintenance engineer of the **Dearborn Chemical Company,** who has just been released from the armed forces, has returned to Dearborn as a member of the engineering staff.

Edward E. Schulz, whose promotion to treasurer and assistant secretary of the **General American Transportation Corporation,** with headquarters at Chicago, was reported in the *Railway Age* of January 12, was born at St. Louis, Mo., on January 25, 1892, and entered the service of General American on January 15, 1920, as a clerk in the accounting department. He subsequently served in various other capacities until 1928 when he was promoted to chief clerk of the accounting department, the position he held at the time of his new appointment.

Wade M. Wilkes has been appointed sales representative in the northeastern district, with headquarters in New York, of the **Safety Car Heating & Lighting Co.**

Wade M. Wilkes

Mr. Wilkes was educated at Florida University. He was employed by the Jacksonville Terminal Company in 1934 and by the Safety Company, in the maintenance of its car lighting and air-conditioning equipment in the Jacksonville, Fla., district, in 1936. He joined the Army in 1940 and subsequently rose through the various grades to the rank of major. Following service overseas in Africa and Italy, he was returned to the United States in November, 1945.

Frank J. Meyer has been appointed chief engineer, railroad division, of the **Philadelphia Steel & Wire Co.,** Philadelphia, Pa. Mr. Meyer formerly was chief engineer of the New York, Ontario & Western. He began his career as a rodman for the Rapid Transit Subway Construction Company in the East river terminals, New York. He entered railway service in February, 1906, in the engineering department of the New York, Ontario & Western, serving successively as chainman, rodman, levelman, transitman, chief of party, supervisor of tracks, roadmaster, engineer in charge of bridges, buildings, tunnels, docks, anthracite and bituminous coal storage, tie and timber inspection, grade crossing eliminations and general roadmaster. He was appointed assistant chief engineer and later chief engineer of

Frank J. Meyer

the railroad in 1942. He is a past president of the Metropolitan Maintenance of Way Club of New York and also second vice-president of the Roadmasters' and Maintenance of Way Association of America.

Charles F. Alexander, who has been connected with the purchasing department of the **Lima Locomotive Works** since March, 1917, has been appointed purchasing agent to succeed **I. C. Brentlinger,** who has retired after 39 years of service with the company, starting as a clerk in the purchasing department in May, 1917.

Walter Bender, vice-president in charge of operations, has been elected president of the **General Fireproofing Company** of Youngstown, Ohio, to succeed **George C. Brainard,** who has been elected president and general manager of the Addressograph-Multigraph Corporation. Mr. Brainard will continue as a director and chair-

Walter Bender

man of the executive committee of General Fireproofing. Mr. Bender joined the General Fireproofing Company in 1918 as a clerk in the office of the plant superintendent. During the succeeding years he was

appointed head of the time study department, manager of shipping and warehousing, and later, production manager. In 1928 he was appointed general superintendent and in 1936 vice-president in charge of operations.

The National bearing division of the **American Brake Shoe Company** has announced the moving of its Pittsburgh, Pa., sales office to the Grant Building, room 1110.

Clarence L. Johnson, a member of the sales staff at the Dugas office at Chicago for the **Ansul Chemical Company,** Marinette, Wis., has been appointed manager of that office to succeed **Floyd M. Duvall,** who has been transferred to Indianapolis, Ind., where he will be district manager of refrigeration sales.

Burton R. Cole has been appointed communications sales manager for the **Graybar Electric Company** at executive headquarters in the Graybar building, New York. Prior to a tour of duty with the U. S. Army Signal Corps from 1942 to 1945, Mr. Cole was manager of the lamp, lighting and supply departments in the Seattle, Wash., territory.

W. D. Hoffman has been appointed engineer, with headquarters at Philadelphia, Pa., for the **Railway Track-Work Company,** to succeed to the duties of the late A. M. Nardini, vice-president, who died on October 19 at the age of 63. Mr. Hoffman formerly was an instructor with the Oxweld Railway Service Company.

Paul L. Lindsay, general assistant to the president, has been appointed general staff manager-sales of the **American Steel & Wire Co.,** U. S. Steel subsidiary. Mr. Lindsay, in addition to other duties, will assume the responsibilities of **V. H. Farr,** assistant general manager of sales, who has retired after 45 years of service with the company.

The **Leslie Company,** Lyndhurst, N. J., has appointed the following agents to handle industrial sales and services: H. F. Eastman Company, Boston, Mass.—eastern Massachusetts; Wilson Engineering & Sales Co., Cleveland, Ohio—north central Ohio; Modern Electric & Engineering Co., Fremont, Nebraska—eastern Nebraska and western Iowa; Mooney Engineering Co., Kansas City, Mo.—eastern Kansas and western Missouri.

E. F. Shannon, assistant manager of railway sales, has been appointed manager of railway sales for the **Continental Oil Company,** with headquarters in Chicago, to succeed **J. W. Liddell,** who has been appointed northern general sales manager. Mr. Liddell will supervise marketing activities of Continental's Chicago, Kansas City, and Lincoln divisions, but will have general supervision over railway sales.

The **International Nickel Company** has announced the opening of the Twin Cities technical section of its development and research division, which will be located in the Northwestern Bank building, 620 Marquette Ave., Minneapolis, Minn. The new section, under the direction of **J. C. Neemes, Jr.,** metallurgist, will furnish technical assistance to industry in the territory comprising Minnesota, North and South Dakota, northern Wisconsin and northern Michigan.

Following his recent election as a vice-president of the **American Car & Foundry Co.** (*Railway Age* of January 12, page 168), **P. A. Hollar** will assume direction of sales activities in the western territory, embracing the Chicago, St. Louis, Mo., St. Paul, Minn., and San Francisco, Calif., offices. J. H. Van Moss will continue as western sales manager in direct charge of the Chicago district, reporting to Mr. Hollar, who will make his headquarters in Chicago.

Nathaniel E. Duval, general sales manager of the **Massachusetts Mohair Plush Company,** has returned to his position after three and one half years in the Navy. Mr. Duval's office will be in the company's Chicago headquarters. Entering with the rank of lieutenant, j.g., he was promoted to lieutenant commander and was recommended for the Legion of Merit award, besides receiving several letters of commendation for his outstanding services. He served as the superintendent of the aeronautical photographic laboratory at the Naval air experimental station in Philadelphia, Pa. This responsibility, and his status as a flying technical observer, took him to the African and European theaters of war to photograph the action and the result of new weapons and other confidential Navy materiel.

Nathaniel E. Duval

The **American Locomotive Company** has announced three appointments in its St. Louis, Mo., office. **George B. Powell** has been appointed assistant to N. C. Naylor, vice-president, who makes his headquarters in Chicago; **William F. Lewis** has been appointed district sales manager in charge of sales in the St. Louis district; and **Charles C. Davis** has been appointed sales representative there.

Mr. Powell has been associated with American Locomotive since 1901 when he joined the company as an assistant shipping clerk. He has been district sales manager at St. Louis since 1926. Mr. Lewis was graduated from Illinois University in 1931 and entered the sales department of American Locomotive at Chicago in 1934. He was assigned to the St. Louis sales office in 1937 and appointed assistant district sales manager in 1939.

W. Lyle Richeson has been elected a vice-president of the sales staff of the **American Car & Foundry Co.** to assist R. A. Williams, vice-president in charge of sales. Mr. Richeson's appointment was reported in the *Railway Age* of January 12, page 168, in which issue his name was incorrectly spelled "Richardson." He formerly was an assistant vice-president and has been with the company for twenty years. He attended Tulane University and Yale University and was graduated from the Sheffield Scientific School in 1924. Aside from two years' training in shop practice at the company's Berwick, Pa., plant, he has served continuously with the sales division and in March, 1944, was appointed an assistant vice-president in the New York sales department.

W. Lyle Richeson

J. W. Brauns has been appointed manager of the **General Electric Company's** industrial haulage division to succeed **F. H. Craton,** who is now assistant manager of the transportation divisions. Mr. Brauns' main responsibility is the sale, application, and servicing of locomotives for use in industrial work, including Diesel-electric and electric mine locomotives, as well as electric equipments for these locomotives. Since January, 1941, he has been on active duty with the U. S. Army and recently returned to Erie, Pa., to assume his managerial duties.

Robert Bridges, Jr., has joined the **National Pneumatic Company** as service representative at the company's Chicago office. Mr. Bridges served in the Mediterranean and European campaigns during the war. **Francis Young,** who recently was discharged from the Army air forces, has resumed his former duties with National Pneumatic as sales and service representative. He will serve all southeastern transit properties, with headquarters at the New York office. For eight years before his induction into service in 1943, Mr. Young worked out at the company's Philadelphia, Pa., office.

Five important changes in the executive personnel of the **Chicago Malleable Castings Company,** Chicago, have been

announced as follows: **J. T. Llewellyn,** president of the company since 1926, has been elected chairman of the board of directors, and **W. L. Beaudway,** formerly executive vice-president, has been elected president to succeed Mr. Llewellyn. **L. J. Wise,** assistant to the executive vice-president, has been promoted to assistant to the president; **L. F. Hartwig,** works manager, has been advanced to general manager, and **O. P. Fahrenbach,** assistant to the works manager, has been promoted to works manager, succeeding Mr. Hartwig.

William D. Truesdale, whose retirement as vice-president in charge of finance of the **Inland Steel Company** was reported in the *Railway Age* of January 12, was born at Youngstown, Ohio, on April 9, 1880, and began his business career as a messenger of the First National Bank of Youngstown in August, 1898. In October, 1899, he went with the Republic Steel Corporation as assistant paymaster, with the same headquarters, and one year later he resigned to enter the accounting department of the National Steel Company (now a part of the United States Steel Corporation). In February, 1902, Mr. Truesdale became assistant auditor of the Tennessee Coal, Iron & Railroad Company, with headquarters at Birmingham, Ala., later being promoted to general auditor. In October, 1907, he was appointed general auditor of Inland Steel, being advanced to treasurer in January, 1919. He subsequently served as secretary and treasurer and was then elected to the position he held at the time of his retirement.

George Mason has been appointed director of information in the public relations department of the **American Locomotive Company,** with headquarters in New York. Mr. Mason is on terminal leave following three years of active service with the Army air forces. During an 18 month tour of duty with the War Department bureau of public relations, he was assigned to missions which took him to the European and Pacific theatres of operation. Prior to joining the Army, he was employed in air line public relations and, at one time, was chairman of the information committee of the Air Transport Association and director of public relations for Pennsylvania-Central Airlines. Before entering the public relations field in 1937, he was a staff reporter and feature writer for the Boston Evening Transcript. Lynn Mahan, assistant to the president in charge of public relations, announced that Mr. Mason's appointment was part of a reorganization and expansion of American Locomotive's public relations activities, including advertising publicity and sales promotion.

OBITUARY

W. Edgar Hamsher, vice-president of the Hennessy Lubricator Company of New York, died January 12, in Pittsburgh, Pa. Mr. Hamsher was in charge of the Pittsburgh to Chicago district of the company.

Frederick C. Dunham, who retired in 1940 as vice-president of the Chicago-Hutchins Car Roofing Company, which has since been merged with the Standard Railway Equipment Company, New York, died at his home in New Rochelle, N. Y., on January 15. Mr. Dunham was 75 years old.

Simon M. Dolan died November 22, 1945. Mr. Dolan operated his own office in St. Louis, Mo., and represented the Western Railroad Supply Company, the Nathan Manufacturing Company, the American Arch Company, the Mozel Chemical Company, the Asco Box Lid Company, and Murcott and Campbell. He also acted as special representative for the Standard Railway Equipment Company.

Equipment and Supplies

LOCOMOTIVES

France to Receive 1,200 Steam Freight Locomotives

The French government has ordered 40 2-8-2 type steam freight locomotives from the Baldwin Locomotive Works and 20 from the Lima Locomotive Works. This brings the total number of such locomotives contracted for by France in recent months to 500, which are allocated 200 to the American Locomotive Company, 200 to Baldwin and 100 to Lima. In addition, France is to receive a total of 700 of these locomotives through orders placed by the U. S. War Department in January of last year, on which deliveries already have begun. These latter orders were allocated 260 to American, 260 to Baldwin and 180 to Lima.

FREIGHT CARS

France Orders 36,750 Cars

The French Mission of Industrial Production at Washington, D. C., has placed orders for 36,750 freight cars, allocating 8,750 box and 4,000 gondola cars to the American Car & Foundry Co., 4,500 box cars to the Pressed Steel Car Company, 3,000 gondola cars to the Greenville Steel Car Company, 3,000 gondola cars to the Magor Car Corporation, 3,500 cars to the General American Transportation Corporation, and 10,000 cars to the Pullman-Standard Car Manufacturing Company.

The PACIFIC FRUIT EXPRESS COMPANY (a subsidiary of the Union Pacific and Southern Pacific) has placed an order for 2,000 refrigerator cars, at a total cost of $12,000,000, to be delivered by the middle of 1946. The cars are to be equipped with the most modern type of refrigeration and building.

The SEABOARD AIR LINE has issued inquiries for 200 70-ton phosphate cars.

The MISSOURI PACIFIC has ordered 100 70-ton steel covered hopper cars from the American Car & Foundry Co.

The BALTIMORE & OHIO has placed orders for 1,400 double-door box cars, allocating 600 to the Bethlehem Steel Company, 300 to the Pressed Steel Car Company, and 500 to the Harlan & Hollingsworth Corp.

The BOSTON & MAINE has ordered 20 70-ton steel covered hopper cars from the American Car & Foundry Co.

The DETROIT & TOLEDO SHORE LINE has ordered 25 29-ft. 3-in. steel covered hopper cars of 70 tons' capacity from the Harlan & Hollingsworth Corp.

The POLISH GOVERNMENT is reported inquiring here for 20,000 freight cars, including 10,000 of 30 or 40 tons' capacity and 10,000 of 20 tons' capacity.

SIGNALING

The ILLINOIS CENTRAL has placed an order with the Union Switch & Signal Co., for signal material required for the installation of centralized traffic control between Dawson Springs, Ky., and Scott. A Style C control machine will control and indicate the switches and signals in the 8.8 miles of single track territory. In addition to the control machine, the order includes the coding units, color-light high signals and Style H-2 searchlight dwarf signals, Style SL-6A electric switch locks, rectifiers and housings.

Financial

ALEXANDER.—*Operation.*—This new company has been authorized by Division 4 of the Interstate Commerce Commission to acquire at its approximate salvage value, $50,350, a line of the Southern from Statesville, N. C., to Taylorsville, 18.5 miles, which that company previously was authorized to abandon, and to operate it for freight service. Certain industries served by the line will become owners of a majority of the new company's stock, and the division commented that "the record indicates that ample traffic is available to support the railroad operation if the railroad actually is used for the transportation thereof. If the people of the territory are willing to undertake the financial responsibility for the continued operation of their railroad facilities they should be accorded that opportunity." Approval of the acquisition was made on the assumption that application would be filed for authority to issue stock, which the division has not yet passed on.

ALTON.—*Assumption of Obligation.*—Division 4 of the Interstate Commerce Commission has authorized this road to assume liability for a proportionate share of the $47,000,000 of Kansas City Terminal first mortgage serial bonds outstanding, thus resuming a full proprietary relationship with the 11 other guarantor roads using that terminal which was severed by the Alton trustee in 1944.

BALTIMORE & OHIO-PERE MARQUETTE.—*Adjustment of Expense for Detroit-Toledo Operation.*—Division 4 of the Interstate Commerce Commission has dismissed "for

want of jurisdiction" an application of the Pere Marquette for a commission order requiring the B. & O. to reimburse that road for additional costs which it said it would incur through the continued operation after January 7 of "Baltimore & Ohio trains, so-called," between Toledo, Ohio, and Detroit and at the Fort Street depot in Detroit, pending completion of arrangements, authorized by the commission, for B. & O. operation into Detroit by trackage rights over the New York Central. The P. M. contended that the continued operation of the B. & O. trains by it costs more than in former years because, among other reasons, it had incurred substantial expense in enlarging the facilities of the Fort Street station, and that it was entitled to increased compensation over what was provided in the operating agreement which now has been terminated.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA.—*Equipment Trust Certificates.*—This company has applied to the Interstate Commerce Commission for authority to assume liability for $950,000 of equipment trust certificates in connection with its acquisition of 400 70-ton gondola cars from the Bethlehem Steel Company.

NEW ORLEANS, TEXAS & MEXICO.—*Mississippi River Crossing.*—Division 4 of the Interstate Commerce Commission has approved an arrangement under which this road will operate under trackage rights over a 3.47-mile line owned by the state of Louisiana, consisting of approach tracks and a bridge crossing the Mississippi river near Baton Rouge, La., in lieu of the car ferry operation at that point previously conducted by it. The bridge has been used by the Louisiana & Arkansas since 1940, and that road, while not objecting to the Gulf Coast's use of the bridge, contended that it should participate therein on a joint ownership rather than a user basis. The division held, however, that any change in the terms of the agreement between the state and L. & A. was not an issue in this case and should be submitted to the commission separately. The Railway Labor Executives Association and certain unions intervened for the protection of any employees adversely affected, and the division's authorization was made subject to the conditions in that respect prescribed in the Burlington case, 257 I. C. C. 700.

NEW YORK, CHICAGO & ST. LOUIS.—*Seeks Wheeling & Lake Erie Control.*—An application has been filed with the Interstate Commerce Commission by the New York, Chicago & St. Louis, Chesapeake & Ohio and Alleghany Corporation for approval of a transaction whereby the Nickel Plate will acquire, at $70 per share represented, certificates of deposit for 78,145 shares of Wheeling & Lake Erie common stock now held by the C. & O., paying $5,470,150 of treasury funds therefor. Alleghany participated in the application because it controls the C. & O. through ownership of 7.92 per cent of its stock. At the same time the three companies applied to the commission for an order vacating outstanding orders in the No. 21012 proceedings under which a voting trust for Wheeling stock was set up, the result of which would be a termination of the trust agreement and release of the stock deposited thereunder. In the event that the commission authorizes termination of the voting trust, the Nickel Plate asks that it be authorized to acquire the 78,145 shares of Wheeling stock directly, rather than the certificates of deposit.

If the commission permits termination of the trust arrangement, the other parties to the application have asked that they each be authorized to acquire the Wheeling stock of which they are now the beneficial owners through certificates of deposit. Consummation of the purchase by the Nickel Plate of the 78,145 shares of Wheeling common would give it altogether 72.884 per cent of that issue (or of certificates equivalent thereto), and would result in the Nickel Plate holding 46.9363 per cent of all Wheeling stock of all classes and the C. & O. holding 21.0497 per cent thereof. The C. & O., which controls the Nickel Plate by ownership of 57.01 per cent of its common stock, has given the latter road an option to purchase its remaining holdings of Wheeling stock before December 4, subject to I. C. C. approval. Such acquisition would give the Nickel Plate ownership of about 68 per cent of all Wheeling stock.

The application for an order terminating the trust arrangement pointed out that the trust was established after the commission had found that joint acquisition of control of the Wheeling by the Baltimore & Ohio, New York Central and Nickel Plate would constitute a violation of the anti-trust laws, and as a means of completing the subsequent purchase of the B. & O. and Central holdings of Wheeling stock by Alleghany-group companies without actual acquisition of control. Virtual absence of competition between the Wheeling and Nickel Plate, the application said, should justify approval of the acquisition as within the requirements of the statute. The Nickel Plate had sought such approval at the time the trust was set up, but withdrew its application in 1930, since which time there has been no substantial change in the relationship effected by the trust agreement.

TOLEDO, ANGOLA & WESTERN.—*Promissory Note.*—This company has applied to the Interstate Commerce Commission for authority to issue a $180,000 promissory note, secured by first mortgage, carrying a 2½ per cent annual interest rate and due in 5 years, in payment of a 3 per cent note in the same principal amount now due the Cleveland Trust Company.

Average Prices Stocks and Bonds

	Jan. 15	Last week	Last year
Average price of 20 representative railway stocks..	64.84	63.03	48.92
Average price of 20 representative railway bonds..	102.39	101.41	94.65

Dividends Declared

Augusta & Savannah.—$2.50, payable January 7 to holders of record December 28, 1945.

Fonda, Johnstown & Gloversville.—50¢, payable January 19 to holders of record December 31, 1945.

Northern of New Hampshire.—$1.50, quarterly, payable January 31 to holders of record January 17.

Philadelphia & Trenton.—$2.50, quarterly, payable January 10 to holders of record December 31, 1945.

Saratoga & Schenectady.—$2.00, payable January 15 to holders of record January 2.

Tennessee Central.—7% preferred, $3.50, payable January 10 to holders of record January 7.

Railway Officers

EXECUTIVE

H. J. Humphrey, special duties vice-president of the Canadian Pacific at Montreal, Que., retired on December 31, 1945, after more than 43 years' service. Mr. Humphrey was born at Berry's Mills, N. B., on January 26, 1879, and began his railway career in 1896 as a telegraph operator for the Intercolonial (now Canadian National). He joined the Canadian Pacific in 1902 as a telegraph operator at Calgary, Alta., and remained in the west for 12 years, rising through promotions at Medicine Hat, Alta., Moose Jaw, Sask., and Winnipeg, Man., until he was transferred to Montreal in 1915 as acting superintendent of car service. In 1916, he became division superintendent of the Farnham division and between then and 1922 filled the same post on the Brownville, Laurentian, and Trenton divisions. He was

H. J. Humphrey

advanced to assistant general superintendent of the Ontario district at Toronto, Ont., in 1922, and to general superintendent at North Bay, Ont., Algoma district, in 1924. He became assistant to the vice-president at Montreal in 1927, general manager Eastern lines, in 1933, and vice-president and general manager in 1934. His appointment as vice-president, special duties, occurred in 1944.

E. D. Cotterell, whose appointment as vice-president in charge of lines east of Port Arthur of the Canadian Pacific at Toronto, Ont., was announced in the December 29 issue of *Railway Age,* was born in England on January 26, 1881. He entered railroading in 1896 as a messenger for the Canadian Pacific at Montreal, after which he served at western stations as agent and telegraph operator. He went with the New York Central in 1900 as an operator, and subsequently advanced to chief dispatcher of the Hudson division, New York. Returning to the Canadian Pacific as inspector of transportation in

1913, he became superintendent of car service in 1915 and superintendent of transportation in 1917, all on the Western lines. In 1928, he was promoted to general superintendent of the Manitoba district at

E. D. Cotterell

Winnipeg, Man., from which he transferred to the Saskatchewan district in 1931, and to the Alberta district in 1932. Mr. Cotterell was advanced to general manager of Eastern lines in 1942, and served in this capacity until his appointment as vice-president became effective on January 1.

John C. Patteson, European manager of the Canadian Pacific, with headquarters in London, England, has been appointed European general manager. The post was last held by the late Sir George McLauren Brown, and is being reestablished in preparation for the normal peace-time trade between Canada and Europe. Mr. Patteson joined the Canadian Pacific in 1923 as assistant general agent, steamships, at New York. He was advanced to general agent and served in this capacity at Philadelphia, Pa., Chicago, and Toronto, until his appointment in February, 1936, as as-

John C. Patteson

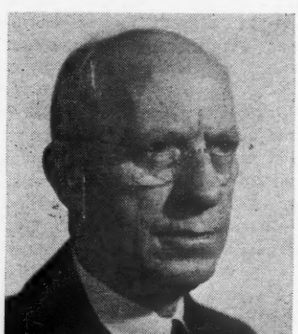
sistant to Sir George McLauren Brown, then European general manager. During four years of the time Mr. Patteson was European manager, his services had been given over to war work for the British government.

FINANCIAL, LEGAL AND ACCOUNTING

H. R. Mardorf, treasurer of the Chicago, Indianapolis & Louisville at Chicago, has retired.

E. R. O. Mueller, whose retirement as auditor-revenues of the St. Louis-San Francisco, with headquarters at St. Louis, Mo., was reported in the *Railway Age* of January 12, was born at St. James, Mo., on March 20, 1878, entered railroad service in 1894 with the St. Louis-San Francisco at St. Louis, and held various clerical positions until September, 1912, when he was promoted to traveling auditor. On January 1, 1919 he became chief clerk in the freight accounting department, and was advanced to assistant auditor of freight accounts on July 16, 1925. On October 1, 1927, Mr. Mueller was promoted to auditor-revenues, the position he held at the time of his retirement.

Edward F. Flynn, whose retirement as assistant to vice-president and general counsel of the Great Northern, with headquarters at St. Paul, Minn., was reported



Edward F. Flynn

in the *Railway Age* of January 5, was born at Faribault, Minn., on November 15, 1875, and received his higher education at the University of Minnesota. He began the practice of law in August, 1905, at Devils Lake, N. D., where he was local attorney for the Great Northern. On July 1, 1923, he was appointed assistant to the vice-president and general counsel, in which capacity he served until his retirement.

Burton Mason, assistant general attorney of the Southern Pacific at San Francisco, Cal., has been appointed general attorney, with the same headquarters. **Lawrence L. Howe,** assistant general attorney, has been appointed general attorney, with headquarters as before at San Francisco.

OPERATING

Walter W. Simpson, whose promotion to general superintendent of transportation of the Southern, with headquarters at Cincinnati, Ohio, was reported in the *Railway Age* of January 5, was born at Shipman, Va., on April 1, 1897, and entered railway service as a call boy of the Southern on February 14, 1914, at Alexandria, Va. He subsequently held various minor positions until he was promoted to train dispatcher, chief night dispatcher and chief dispatcher.

Walter W. Simpson

In July, 1927, Mr. Simpson was advanced to trainmaster, with headquarters at Charlottesville, Va., later serving in this capacity at Spartanburg, S. C., Pinners Point, Va., and Danville, Ky. In May, 1940, he was advanced to superintendent of the Mobile division, with headquarters at Selma, Ala., later being transferred to Hattiesburg, Miss., and Birmingham, Ala. He remained in the latter location until his new promotion.

N. R. Crump, whose appointment as general manager, Eastern lines, of the Canadian Pacific was announced in the December 29 issue of *Railway Age,* was born on July 30, 1904, at Revelstoke, B. C., and received his B. S. and M. E. degrees from Purdue University. He entered railroad service in 1920 as a machinist's apprentice for the Canadian Pacific at Field, B. C., transferring to the western shops at Winnipeg, Man., in 1922. He then at-

N. R. Crump

tended Purdue from 1925 to 1929, after which he returned to his former post. In 1930 he became night foreman at Sutherland, Sask., then shop foreman at Lethbridge, Alta., and Calgary, successively. He then served consecutively as locomotive foreman at Wilkie, Sask., night fore-

man at Moose Jaw, Sask., and division master mechanic at Moose Jaw, and in 1936 was transferred to Regina, Sask. Mr. Crump was appointed chief mechanical draftsman, Western lines, at Winnipeg in 1939, assistant superintendent of motive power for Western Canada in 1940, assistant to the vice-president in 1942, and general superintendent, Ontario district, in 1943. He was advanced to assistant general manager, Eastern lines, Toronto, Ont., in 1944, and maintained this post until his recent appointment as general manager.

L. R. Smith, assistant superintendent of the Southern Pacific at Oakland, Cal., has retired after 50 years of railroad service.

R. F. Jeter, trainmaster of the Alton at Bloomington, Ill., has been promoted to superintendent of the road's Chicago terminal, with headquarters as Chicago, a newly-created position.

P. M. Black, assistant right-of-way agent of the Southern Pacific at Houston, Tex., has been promoted to assistant to the general manager, with the same headquarters, a newly-created position.

Fred F. Fischer, supervisor of refrigerator service of the Northern Pacific, has been promoted to manager of perishable freight traffic, with headquarters as before at St. Paul, Minn., a newly-created position.

W. E. Eagan, general yard inspector of the St. Louis-San Francisco at Memphis, Tenn., has been promoted to assistant superintendent, with headquarters at Fort Scott, Kan., succeeding **Quin Baker,** who has resigned.

S. H. Pulliam, former trainmaster for the Chesapeake & Ohio at Covington, Ky., has returned from military service during which he commanded the 740th Railroad Battalion with the rank of lieutenant colonel, and has been appointed to the newly-created position of assistant superintendent at Huntington, W. Va.

G. E. Lanning, trainmaster of the Chicago, Milwaukee, St. Paul & Pacific at Marion, Iowa, has been appointed acting assistant superintendent of the Iowa division, with headquarters at Perry, Iowa, succeeding **A. J. Farnham,** who has been transferred to Milwaukee, Wis. **A. C. Morrissey,** trainmaster at Beloit, Wis., has been appointed acting trainmaster at Marion, replacing Mr. Lanning.

C. F. Dougherty, former superintendent of the Eastern division of the Missouri Pacific recently released from the armed forces, has returned to the road and resumed the position he held before entering military service, with headquarters as before at Kansas City, Mo., succeeding **W. H. Bailey,** who has been appointed trainmaster at Van Buren, Ark., where he replaces **R. B. Butler,** who has been transferred to Coffeyville, Kan.

D. T. Bagnell, superintendent of the Chicago, Milwaukee, St. Paul & Pacific at Minneapolis, Minn., has been promoted to general superintendent of the Milwaukee's Twin City terminals, with headquarters as before at Minneapolis. **J. J. O'Toole,** assistant superintendent of terminals at Milwaukee, Wis., has been promoted to superintendent at Minneapolis, succeeding Mr. Bagnell. **A. J. Farnham,** assistant superintendent at Perry, Iowa, becomes assistant superintendent at Milwaukee.

Richard Warren Grigg, whose appointment as superintendent, Delmarva division, of the Pennsylvania, with headquarters at Cape Charles, Va., was announced in the December 29 issue of *Railway Age*, was born at Richmond, Va., on May 27, 1907, and was graduated in civil engineering from Virginia Polytechnic Institute in 1929. He entered railway service in June, 1929, as an assistant on the engineering corps of the Eastern division of the Pennsylvania at Pittsburgh, Pa., and in 1932 was appointed assistant on the engineering corps at Derry, Pa. In 1933, Mr. Grigg was promoted to assistant supervisor of track at Wellsville, Ohio, and was transferred during 1934 to Steubenville, Ohio, and to Derry, Pa. In 1936 he was promoted to supervisor of track at Orrville, Ohio, and later that year transferred to special duty in the office of the chief engineer of the system at Philadelphia,

Richard Warren Grigg

then transferred again in 1937 to Piqua, Ohio, and in 1939 to New Brunswick, N. J. He was advanced to assistant division engineer of the Ft. Wayne division at Ft. Wayne, Ind., in January, 1942. Three months later he was promoted to division engineer of the St. Louis division, with headquarters at Terre Haute, Ind. Mr. Grigg was transferred to Cleveland, Ohio, in February, 1943, and to the Long Island in July, 1943, maintaining the latter post until the time of his advancement to superintendent of the Delmarva division.

W. E. Haist, whose retirement as superintendent of transportation of the Chicago, Burlington & Quincy, with headquarters at Chicago, was reported in the *Railway Age* of January 5, was born at Table Grove, Ill., on November 19, 1889, and entered railway service in 1902 as a station helper on the Beardstown division of the Burlington, subsequently holding various minor positions until he was promoted to transportation assistant to the general manager, with headquarters at Omaha, Neb. A short time later Mr. Haist was transferred to Chicago, and in July, 1929, he was advanced to division superintendent at Beardstown, Ill. In 1932 he was promoted to assistant to the general manager at Chicago, and four years later he became divisional superintendent at Galesburg, Ill., subsequently being transferred to Aurora, Ill. In 1944 Mr. Haist was advanced to the position he held at the time of his retirement.

A. J. Cowie, assistant superintendent of the Canadian Pacific at Lethbridge, Alta., has been appointed office assistant to **W. S. Hall,** whose promotion to assistant general manager at Vancouver, B. C., was announced in the *Railway Age* of January 12. **L. R. Smith,** traveling car service agent at Winnipeg, Man., succeeds Mr. Cowie as assistant superintendent at Lethbridge. **W. J. Price,** assistant superintendent at Kenora, Ont., has been transferred to Moose Jaw, Sask., where he replaces **Trevor Wood,** whose promotion to superintendent of the Moose Jaw division was announced in the *Railway Age* of January 12.

TRAFFIC

C. H. Sheffield has been appointed general agent of the Norfolk & Western, with headquarters at Birmingham, Ala.

E. J. Anderson has been appointed general agent of the Atlantic Coast Line, with headquarters at San Francisco, Cal.,

Richard Ward has been appointed assistant to the traffic manager of the Union Pacific, with headquarters at Portland, Ore.

E. H. Moot, general agent of the Great Northern at Chicago, has been promoted to general passenger agent, with the same headquarters, a newly-created position.

John H. Grotheer has been appointed freight traffic agent of the Nashville, Chattanooga & St. Louis, with headquarters at New York.

R. H. Holter has been appointed assistant general passenger agent of the Baltimore & Ohio, with headquarters at Baltimore, Md.

Victor A. Gust, traffic representative of the New York, New Haven & Hartford at Chicago, has been promoted to general traffic agent, with the same headquarters, a newly-created position.

H. J. Carr, recently released from the armed forces, has returned to the position of assistant general freight agent of the Missouri-Kansas-Texas, with headquarters at St. Louis, Mo.

A. E. Brantley, recently honorably discharged from the armed forces, has returned to the Atlanta, Birmingham & Coast, resuming his former position as freight traffic agent at Atlanta, Ga.

E. W. Girton, general western freight agent of the Reading at Chicago, has been promoted to western freight traffic manager, with headquarters as before at Chicago, a newly-created position. **H. G. Benson,** assistant general western freight agent at Chicago, has been promoted to

general agent, with the same headquarters, a newly-created position. The position of assistant general western freight agent has been abolished.

John N. Simpson, assistant agricultural agent of the Texas & Pacific at Fort Worth, Tex., has been promoted to general livestock agent, with the same headquarters.

Arthur Murphey, formerly general freight agent of the Toledo, Peoria & Western at Chicago, has been appointed assistant general freight agent of the Chicago, Rock Island & Pacific, with headquarters in Chicago.

J. J. McGarry, general agent of the Burlington Lines at Denver, Colo., has been promoted to general freight agent, with the same headquarters, succeeding **J. H. Lipscomb,** who has retired after more than 20 years of service.

H. G. Benson, assistant general western freight agent of the Reading, with headquarters at Chicago, has been appointed general agent, with the same headquarters, a change of title. The position of assistant general western freight agent has been abolished.

S. M. Farrell, district passenger agent of the Great Northern at Chicago, has been promoted to general agent, passenger department, with the same headquarters, succeeding **E. H. Moot,** whose promotion to general passenger agent at Chicago was reported in the *Railway Age* of January 12.

E. T. Ginder, general western freight agent of the Central of New Jersey at Chicago, has been named division freight agent, Central division, with headquarters at Newark, N. J., succeeding **R. W. Tims,** deceased. **E. T. Libby,** traveling freight agent at Newark, has been appointed assistant industrial agent at New York.

B. M. Croll, assistant freight traffic manager of the Reading at Philadelphia, Pa., has been appointed Eastern freight traffic manager there. The position of assistant freight traffic manager has been abolished. **H. A. J. Kenney,** acting division freight agent at Philadelphia, has been advanced to division freight agent there, and the post of acting division freight agent abolished.

C. F. Dahnke, general agent, passenger department, of the Chicago, Milwaukee, St. Paul & Pacific at Milwaukee, Wis., has been promoted to assistant general passenger agent, with the same headquarters. **T. G. Austin,** assistant general agent at Milwaukee, has been advanced to general agent, passenger department, with the same headquarters, succeeding Mr. Dahnke.

O. H. Griffin, former general freight agent of the Missouri-Kansas-Texas at Chicago, recently released from the armed forces, has been appointed division freight agent, with headquarters at Dallas, Tex., succeeding **Norman Mansfield,** whose promotion to assistant general freight agent was reported in the *Railway Age* of November 10. **J. W. Stechmann,** chief clerk to the division freight and passenger agent, has been promoted to division freight and passenger agent, with headquarters as before at Galveston, Tex., where he succeeds **W. L. Meyers,** whose recent promotion to assistant general freight agent at St. Louis, Mo., was reported in the *Railway Age* of November 10.

G. R. Glover, whose promotion to assistant to the vice-president-traffic of the Chicago, Burlington & Quincy, with headquarters at Chicago, was reported in the *Railway Age* of December 29, was born at Denver, Colo., on July 12, 1903. He entered the service of the Chicago, Burlington & Quincy in May, 1918, and in 1920, he resigned to attend the Denver University School of Commerce. He returned to the Burlington the following year as a stenographer and later advanced through the positions of rate clerk, chief rate clerk and chief of tariff bureau. On January 1, 1930, Mr. Glover was promoted to assistant general freight agent, with headquarters at Denver and on October 7, 1935, he was appointed assistant general freight agent for the Burlington at Omaha, Neb. On April 16, 1939, Mr. Glover was advanced to general freight agent, with headquarters at Denver, and served in that

G. R. Glover

capacity until November 1, 1941, when he was further advanced to assistant general freight traffic manager at Chicago, the position he held at the time of his recent promotion.

J. O. McCollum, traveling passenger agent of the Southern at Atlanta, Ga., has been promoted to district passenger agent at Columbia, S. C. **R. A. Safrit,** city freight and passenger agent at Charleston, S. C., has been advanced to district passenger agent at Jacksonville, Fla. **D. Blackwell Brown,** recently discharged from the United States Navy, has been appointed freight traffic representative at Greenville, S. C.

The Chicago Great Western has announced the following changes in its traffic department: **C. R. Seel,** general agent at Pittsburgh, Pa., has been promoted to eastern traffic manager, with headquarters at New York, a newly-created position. **J. H. McWaters** has been appointed division freight and passenger agent at Mason City, Iowa. Other changes include **William Blocker** to be general agent at Chicago; **H. F. Biallas** to be general agent at Milwaukee, Wis.; **Walter Weger** to be general agent at New York; **W. C. Lundberg** to be general agent at Waterloo, Iowa; **G. P. Roberts** to be general agent at Pittsburgh, Pa., where he succeeds Mr. Seel.

Thomas Fuller, whose appointment as assistant to freight traffic manager of the Atlantic Coast Line at Wilmington, N. C., was announced in the December 15 issue of *Railway Age,* was born at Anderson, S. C., on September 16, 1906. He was graduated from the University of Florida in 1928, and entered railroading in that year as a clerk-stenographer for the Atlantic Coast Line at Arcadia, Fla. He transferred to Tampa, Fla., in 1929, where he became soliciting freight agent in 1934. Mr. Fuller was named traveling freight agent at Fayetteville, N. C., in 1936, and commercial agent there in 1939. In 1940 he joined the United States Army as a captain, serving in the Transportation Corps, European Theatre of Operations. He became a colonel and was Chief of Transportation, Advance Allied Forces, in the assaults upon Salerno, Italy, and southern France. Colonel Fuller served as Executive Officer to Major General Frank S. Ross, Chief of Transportation for the European Theatre, and, after the European victory, transferred to the Pacific as Deputy Chief of Transportation for Operations to Brigadier General George C. Stewart, Chief of Transportation for the Pacific Forces. While in the Army, Colonel Fuller received the Legion of Merit, the Bronze Star Medal, Order of the British Empire, and the Croix de Guerre. He returned to the Atlantic Coast Line on December 1, 1945, as assistant to freight traffic manager.

Thomas Fuller

Calvin J. Rohwitz, whose retirement as assistant freight traffic manager of the Chicago, Burlington & Quincy, with headquarters at Omaha, Neb., was reported in the *Railway Age* of December 29, was born at Downs, Kan., on November 2, 1874, and entered railway service on March 5, 1898, as clerk of the Burlington at Atchison, Kan. He served in various capacities including passenger agent and traveling passenger agent until March 15, 1920, when he was advanced to general agent, with headquarters at St. Louis, Mo. Three years later Mr. Rohwitz was promoted to

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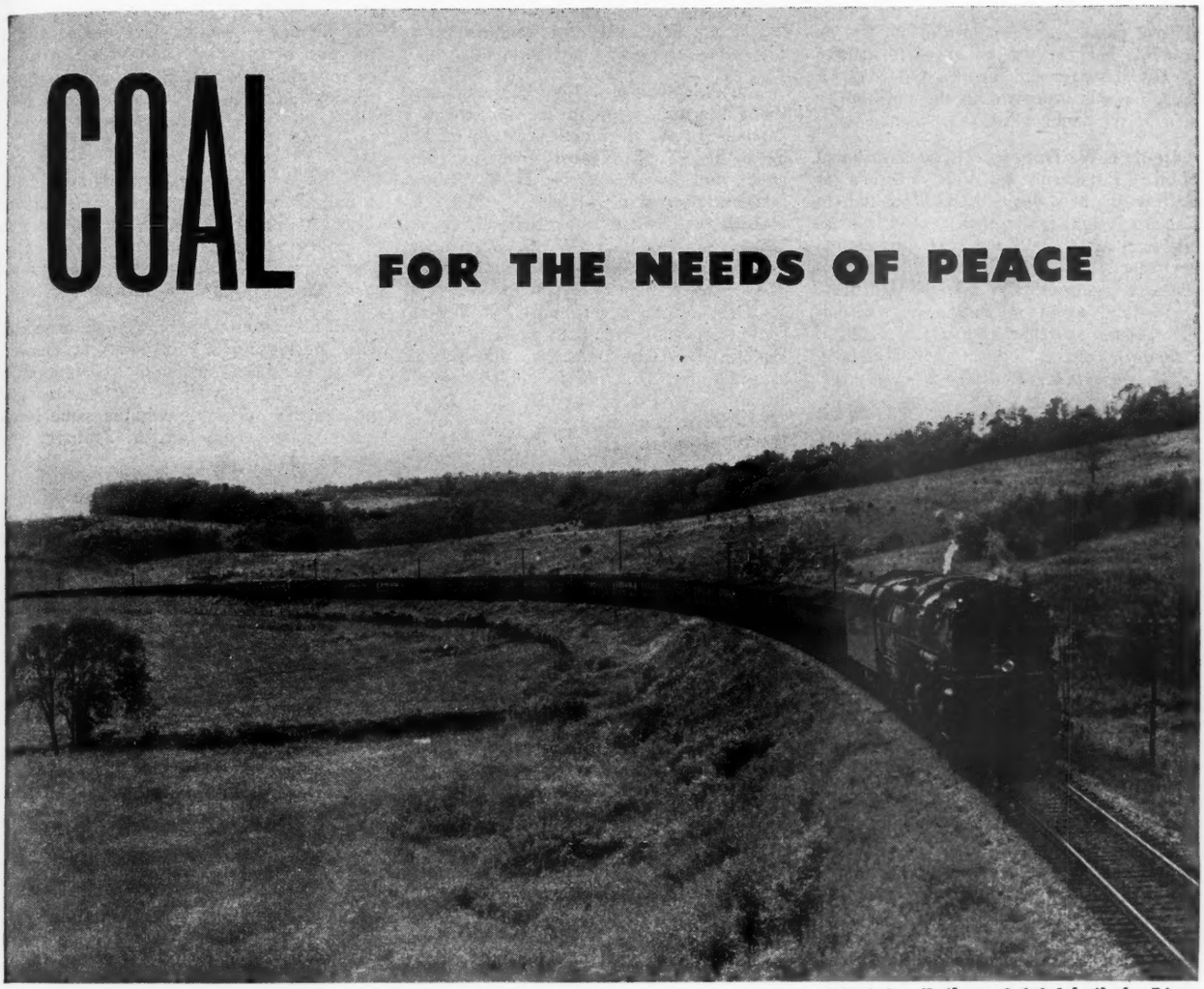
COAL FOR THE NEEDS OF PEACE



Virginian Railway 2-6-6-6 built by Lima

The Lima-built 2-6-6-6s The Virginian Railway placed in service to handle the war's tremendous coal traffic demands, are now speeding fuel to meet the needs of reconverting industries.

Capable of hauling the heaviest freights, over mountain grades, at sustained high speeds, these giant steam locomotives meet the highest standards of motive power efficiency.

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general passenger agent at Omaha, and on April 1, 1933, he was advanced to general freight and passenger agent. On May 15, 1939, he was promoted to the position he held at the time of his retirement.

George W. Dobbin, Jr., general agent of the Pittsburgh & West Virginia at Baltimore, Md., has been promoted to Eastern freight traffic manager with headquarters at New York and jurisdiction over the New York, Baltimore, and Philadelphia agencies. **W. J. Wolferman,** commercial agent at Baltimore, succeeds Mr. Dobbin as general agent there. **T. J. Dowdell,** general agent at Cleveland, Ohio, has retired after 20 years' service.

F. E. Osborn, district passenger agent of the Chesapeake & Ohio at Cincinnati, Ohio, has been appointed general agent, passenger department, with headquarters at Louisville, Ky., succeeding **R. E. Parsons,** district passenger agent, who has retired. **C. L. Dozier,** passenger service agent at Richmond, Va., has been appointed northwestern passenger agent at Chicago, where he succeeds **F. E. Landmeier,** who has retired as district passenger agent.

H. M. Larson, acting assistant general passenger agent of the Chicago, Milwaukee, St. Paul & Pacific, has been appointed assistant general passenger agent, with headquarters as before at Minneapolis, Minn., succeeding **J. J. Oslie,** whose death on December 28 was reported in the *Railway Age* of January 12. **D. G. McMillan,** general agent, passenger department, at St. Paul, Minn., has been transferred to Minneapolis. **O. R. Anderson,** traveling passenger agent at St. Paul, has been appointed general agent, passenger department, with the same headquarters, succeeding Mr. McMillan.

G. L. Borden, district passenger agent of the Seaboard Air Line at Camp Blanding, Fla., has been transferred to Richmond, Va., succeeding **R. Vaughan-Lloyd,** who has retired after 39 years of service. **F. P. Medford, Jr.,** division freight and passenger agent at Ft. Lauderdale, Fla., has been advanced to assistant general freight and passenger agent there. The post of division freight and passenger agent has been abolished. **E. Q. Davis,** division freight agent at Washington, D. C., has been transferred to Charlotte, N. C. **J. R. Youland** has been named district passenger agent at Atlanta, Ga.

John C. McMichael, general freight agent of the Pennsylvania at Chicago, has been transferred to New York, where he succeeds **F. X. Quinn,** who has retired. **Herbert M. Phillips,** former general freight agent of the Long Island at New York, recently released from the armed forces, has been appointed general freight agent at Chicago, succeeding Mr. McMichael. **Joseph A. Armento,** district freight agent at Milwaukee, Wis., has been promoted to division freight agent at Washington, D. C., replacing **W. S. Merrick,** who has been transferred to Cleveland, Ohio, where he succeeds **R. E. Walton,** who becomes assistant general freight agent at Pittsburgh, Pa. **R. W. Leedy,** district coal agent at Philadelphia, Pa., has been appointed district freight agent at Milwaukee, replacing Mr. Armento.

The Atlantic Coast Line has announced the following appointments, all effective January 1: **E. S. Smith,** eastern freight agent, and **T. J. Nestor,** freight service agent, both at New York; **H. S. Young,** assistant general freight agent, and **H. E. Robins,** assistant to general freight agent, both at Atlanta, Ga.; **W. C. Matthews,** general agent, and **R. M. Bennett,** freight service agent, both at Fitzgerald, Ga.; **H. S. Rice,** general agent, and **C. B. White,** freight service agent, both at Jacksonville, Fla.; **H. L. Alsobrook,** agricultural agent at LaGrange, Ga.; **V. L. Collier,** agricultural agent at Fitzgerald, Ga.; **R. C. McLemore,** general agent, Atlanta; and **L. W. Shehee, G. F. Childs, A. E. Brantley,** and **J. V. Benson,** all freight service agents at Atlanta.

T. K. Earley, whose promotion to assistant freight traffic manager of the Denver & Rio Grande Western, with headquarters at Denver, Colo., was reported in the *Railway Age* of December 29, was born at St. Joseph, Mo., on June 18, 1899, and received his higher education at Regis College, Denver. He entered railway service in 1917 as a tariff clerk in the freight traffic department of the Denver & Rio Grande Western at Denver, and served in various clerical capacities until 1924, when he became city freight agent at Chicago. In 1927 Mr. Earley was appointed chief clerk in the tariff department at Denver, and on October 1, 1934, he was advanced to assistant general freight agent, with the same headquarters. On October 1, 1936, he was promoted to general freight agent at Denver, the position he held at the time of his recent promotion.

ENGINEERING & SIGNALING

H. L. Barr, just released from service in the armed forces, has returned to the Chicago & North Western as division engineer of the Black Hills division, with headquarters at Chadron, Neb.

George M. Brown, formerly head of the radio transmitter division, General Electric Company, has been appointed electronics engineer for the New York Central, with headquarters at New York.

W. C. Oest, office engineer of the Burlington Lines at Fort Worth, Tex., has been promoted to principal assistant engineer, with the same headquarters, a newly-created position.

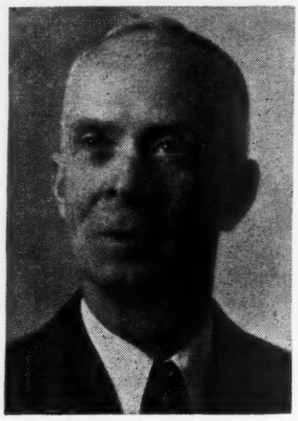
H. W. Jensen, just released from service in the armed forces, has returned to the Chicago, Saint Paul, Minneapolis & Omaha as division engineer of the Western division, with headquarters at St. Paul, Minn.

L. T. Nuckols, engineer maintenance of way of the Chesapeake & Ohio at Richmond, Va., has been advanced to chief engineer there, succeeding **Crosby Miller,** who retired on January 1. The position of engineer maintenance of way was abolished at that time. **A. E. Botts,** assistant engineer maintenance of way, Richmond, has become assistant chief engineer, and the post of assistant engineer maintenance of way abolished. **V. B. W. Poulsen,** designing engineer at Richmond, has been appointed office engineer there, succeeding **A. C. Copland,** who has retired.

S. R. Mitchell, assistant engineer of the Minneapolis, Northfield & Southern at Minneapolis, Minn., has been promoted to chief engineer, with the same headquarters, succeeding **F. U. Mayhew,** who has retired after 45 years of railroad service.

W. S. Broome, engineer, maintenance of way, of the Burlington Lines at Denver, Colo., has been appointed assistant chief engineer, in charge of engineering and maintenance of way, with the same headquarters, succeeding **M. A. Stainer,** who has retired.

Harry J. Seyton, whose promotion to chief engineer of the Great Northern, with headquarters at St. Paul, Minn., was reported in the *Railway Age* of January 12, was born at Richmond, Ill., on June 25, 1882, and graduated from the University of Wisconsin in 1905. He entered the service of the Great Northern as an instrumentman in 1909, and two years later he was promoted to assistant engineer in the construction department. In 1915, he was transferred to the valuation division and the following year he returned to the construction department in the same capacity. Mr. Seyton was advanced to district engineer of the Central division, with headquarters at Great Falls, Mont., in 1917, and on March 1, 1920, he was transferred to Duluth, Minn. In 1925, his jurisdiction was extended from Duluth to Williston, N. D. In January, 1939, he was further advanced to assistant chief engineer, Lines West, with headquarters at Seattle, Wash., and served in that capacity until his recent promotion to chief engineer at St. Paul.



Harry J. Seyton

Frank J. Meyer, chief engineer of the New York, Ontario & Western, with headquarters at Middletown, N. Y., resigned on January 1 to go with the Philadelphia Steel & Wire Corp., Philadelphia, Pa., as reported in the supply trade news section of this issue. **Hugh J. Phillips,** supervisory engineer on the N. Y., O. & W., has been promoted to engineer maintenance

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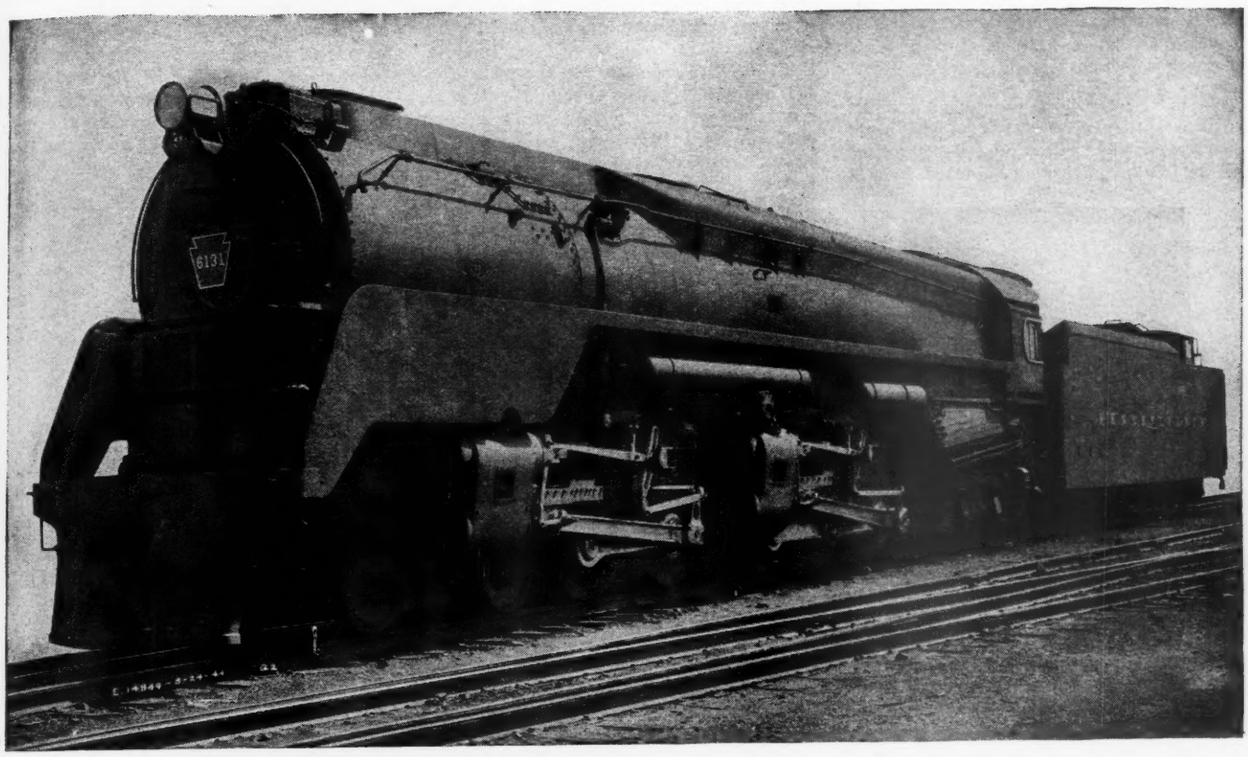

26 PENNSYLVANIA Q-2 LOCOMOTIVES

are equipped with

The Locomotive Booster *

The twenty-six giant, 4-4-6-4 non-articulated, Class Q-2 steam locomotives that the Pennsylvania has placed in service for fast and heavy freight operation, are equipped with Locomotive Boosters, and develop a rated tractive force with the Booster of 115,800 pounds.

**Trade Mark Reg. U. S. Pat. Off.*

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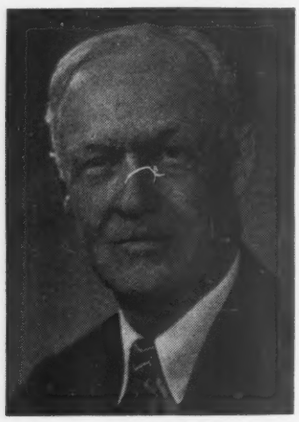
of way, with headquarters as before at Middletown, N. Y. The position of chief engineer has been discontinued.

C. M. Nye, whose retirement as chief engineer of the Great Northern, with headquarters at St. Paul, Minn., was reported in the *Railway Age* of January 5, was



C. M. Nye

born at Moline, Ill., received his higher education at the University of Illinois, and entered railroad service in 1899 with the Chicago, Rock Island & Pacific. From 1906 to 1909 he was chief draftsman on the Chicago, Milwaukee, St. Paul & Pacific, and during 1910 with the Oregon Trunk. From 1910 to 1913 he served as office engineer with the Spokane, Portland & Seattle. Mr. Nye entered the service of the Great Northern in 1913 as principal assistant engineer at St. Paul, and served in that capacity until 1918, when he entered the armed forces. In 1919 he returned to the Great Northern as principal assistant engineer, with headquarters as before at St. Paul. Mr. Nye was promoted to assistant chief engineer in 1920, and served in that capacity until 1940, when he was further advanced to chief engineer, the position he held at the time of his retirement.

P. P. Wagner, whose promotion to assistant chief engineer of the Missouri Pacific, with headquarters at St. Louis,

P. P. Wagner

Mo., was reported in the *Railway Age* of December 22, was born at Concordia, Kan., on December 6, 1894, and was graduated from the University of Kansas in 1918. He entered railroad service on June 18, 1917, as a rodman on the Memphis division of the Missouri Pacific at Wynne, Ark., subsequently holding various minor positions until 1925, when he became assistant engineer, in which capacity he served until January 1, 1938, at which time he was promoted to division engineer, with headquarters at St. Louis. On April 16, 1943, Mr. Wagner was further advanced to engineering assistant to the chief executive, also at St. Louis, the position he held at the time of his recent promotion.

MECHANICAL

George W. Birk, assistant superintendent of equipment of the New York Central at Indianapolis, Ind., has been promoted to superintendent of equipment, with the same headquarters, succeeding **R. W. Retterer,** whose death on December 28 was reported in the January 12 issue.

W. F. Freutel, assistant electrical engineer of the Chesapeake & Ohio at Richmond, Va., has been promoted to special engineer there, succeeding **G. A. Marriott,** who has retired. **D. F. Dunsmore, road** electrical foreman at Richmond, has succeeded Mr. Freutel as assistant electrical engineer.

J. P. Cargill, assistant master mechanic of the Southern at Spencer, N. C., has been appointed superintendent Hayne car shop, Spartanburg, S. C., succeeding **N. V. Moore,** deceased. **O. H. Smart,** master mechanic at Columbia, S. C., succeeds Mr. Cargill at Spencer. **G. R. James** has been named master mechanic at Columbia, succeeding Mr. Smart.

B. J. Rucker, general car inspector for the Chesapeake & Ohio at Huntington, W. Va., has been appointed chief car inspector at Richmond, Va., succeeding **J. G. Rayburn,** whose promotion to shop superintendent at Russell, Ky., was announced in the January 12 issue of *Railway Age*. **W. V. Hinerman,** assistant to superintendent motive power at Richmond, has been named assistant to chief mechanical officer there. **J. E. Foster** has been appointed assistant to superintendent motive power at Richmond, succeeding **J. A. Farley,** who has retired.

PURCHASES AND STORES

J. G. Zimbleman, inspector of stores of the Chicago, Burlington & Quincy at Chicago, has been promoted to district storekeeper, with headquarters at Denver, Colo., succeeding **R. H. Johnson,** who has been transferred to Galesburg, Ill. **F. T. Hagemeier** has been appointed district storekeeper at St. Joseph, Mo., replacing **O. C. Osmondson,** who has been transferred to Chicago where he in turn relieves **J. S. Baker,** who has been appointed inspector of stores, with the same headquarters, succeeding Mr. Zimbleman.

C. E. Swanson, whose promotion to assistant general storekeeper of the Chicago, Burlington & Quincy, with headquarters at Chicago, was reported in the *Railway Age* of December 29, was born at Aurora, Ill., on January 10, 1895, and entered railroad service in September, 1911, as a night call boy, on the Burlington at Aurora, subsequently holding various minor positions until 1925, when he was appointed district storekeeper at Casper, Wyo. In Septem-

C. E. Swanson

ber, 1926, Mr. Swanson was transferred to Denver, Colo. in the same capacity, and served there until January, 1936. From March, 1936, to January, 1945, he was traveling storekeeper at Chicago, being appointed acting general storekeeper on the latter date. In May, 1945, he was assigned as assistant to the general storekeeper, and served in that capacity until his recent promotion.

Curtis F. Bayer, assistant purchasing agent of the Delaware, Lackawanna & Western at New York, has been promoted to purchasing agent there, succeeding **Russel M. King,** retired. Mr. Bayer, a graduate of Lehigh University, entered railroading with the Delaware, Lackawanna & Western in 1935 as an inspector of dining car service. In 1936, he became transportation inspector and special representative on the staff of the general superintendent, with headquarters at Scranton, Pa. While thus employed, Mr. Bayer also served as traveling passenger representative, acting superintendent of the dining

Curtis F. Bayer

car department, supervisor of safety, and supervisor of freight claim prevention. In 1941, he became assistant superintendent of the dining car department, then, in the

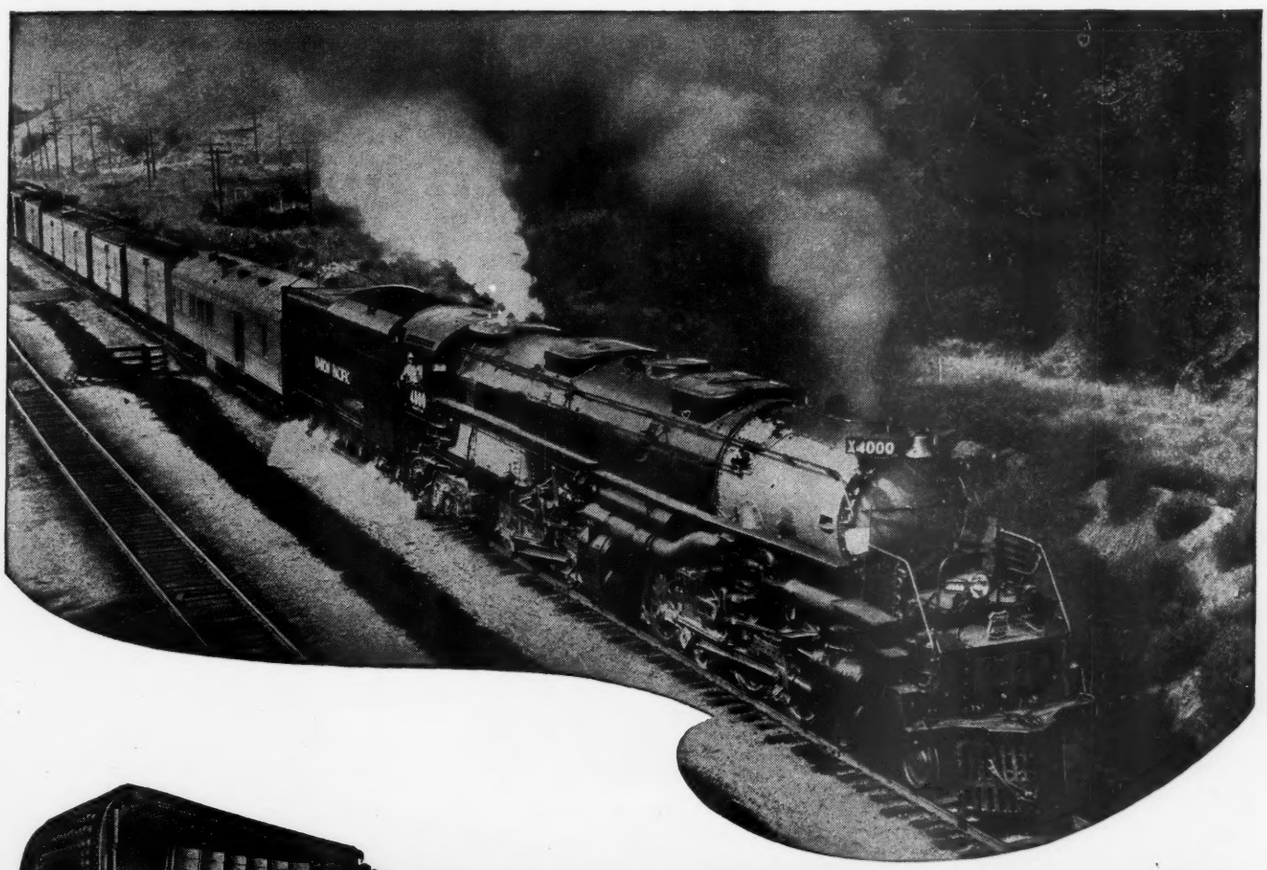
News Department continued on next left-hand page

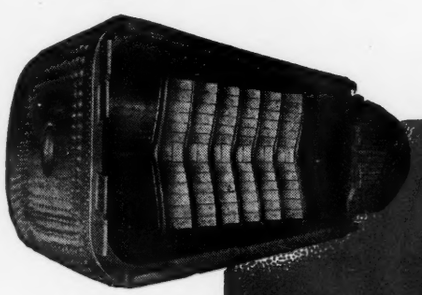
To do Today's Job

• Union Pacific's mighty 4-8-8-4's, designed to meet today's tremendous demands for fast freight movement, are capable of continuous operation under maximum horsepower output.

The firebox of each locomotive of this type is equipped with seven Security Circulators, making it possible to maintain a well proportioned brick arch.

The Water Line is Your Life Line





AMERICAN ARCH COMPANY, INC.

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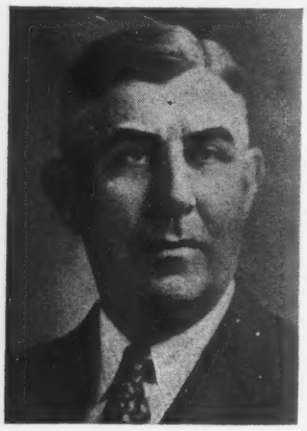
SECURITY CIRCULATOR DIVISION

same year, superintendent. He was appointed assistant purchasing agent in September, 1945.

Mr. King entered the service of the Delaware, Lackawanna & Western in 1906, as a clerk in the purchasing department. He was subsequently advanced to chief clerk, then assistant to the purchasing agent and to the general purchasing agent. He became purchasing agent in 1943. Mr. King's retirement and Mr. Curtis' advancement became effective January 1.

Bion E. Leech, whose appointment as general storekeeper of the Bessemer & Lake Erie at Greenville, Pa., was announced in the December 15 issue of *Railway Age,* was born at Greenville on November 1, 1888. He began his railway career as a clerk with the Bessemer & Lake Erie in 1912, advancing to shipping and receiving foreman in 1913 and to



Bion E. Leech

material foreman in 1919. Mr. Leech was promoted to storekeeper in 1929, and assistant general storekeeper in 1941.

SPECIAL

Charles P. Platt, auditor of financial paper settlements for Railway Express at New York, has retired after nearly 56 years' service.

W. G. Paradise has been appointed container engineer of the freight loading and container section of the Association of American Railroads, with headquarters at Los Angeles, Cal.

John F. Ross, division superintendent of Santa Fe Trailways (a subsidiary of the Atchison, Topeka & Santa Fe) at Los Angeles, Cal., has been promoted to assistant general manager, with the same headquarters, succeeding **L. S. Neal,** who has resigned. **J. E. McGinty,** superintendent of the Albuquerque division, has been transferred to Los Angeles, where he succeeds Mr. Ross.

W. W. Lanham, assistant division superintendent of the Santa Fe Trailways (a subsidiary of the Atchison, Topeka & Santa Fe) at Oklahoma City, Okla., has been promoted to division superintendent at Joplin, Mo., where he succeeds **H. M. Haynes,** who has been transferred to Albuquerque, N. M., replacing **J. E. McGinty,** whose transfer to Los Angeles, Cal., was reported in the *Railway Age* of January 12.

J. Harry Smith, manager of the press bureau for the Canadian Pacific at Montreal, Que., retired in December, 1945, after 25 years as head of the publicity de-

J. Harry Smith

partment. Mr. Smith was born in Bristol, England. He entered the newspaper business in Toronto, Ont., and served in the editorial rooms of several papers before becoming managing editor of the old Toronto "World." He was financial editor of the "Montreal Gazette" at the time of his appointment as manager of the Canadian Pacific press bureau.

J. H. Campbell, whose appointment as manager of the Canadian Pacific's department of public relations was announced in the December 29 issue of *Railway Age,* was born on May 4, 1897, at Stayner, Ont. He attended Macleod Collegiate Institute and studied law in Calgary for a year pre-

J. H. Campbell

vious to his enlistment in the Canadian Mounted Rifles in 1915. After demobilization in 1919, Mr. Campbell joined the staff of the Calgary Herald. He entered railroad service in 1928 as a press representative of the Canadian Pacific at Vancouver, B. C. In 1930, he became press representative, Western lines, at Winnipeg, Man. He was loaned to the Canadian Government in October, 1942, to serve as director of Wartime Information Board in Washington, D. C. Mr. Campbell returned to Montreal, Que., in July, 1945, as general publicity agent, the position he maintained until his appointment as manager of the newly-formed department of public relations there.

OBITUARY

A. P. Smirl, freight traffic manager of the Texas & Pacific at Dallas, Tex., died in a hospital in that city on January 8.

Shelton Pitney, who had served as co-trustee of the Central of New Jersey since 1939, died at his home at Morristown, N. J., on January 13. Mr. Pitney was 52 years old.

Hiram M. Kochersperger, formerly vice-president, financial and accounting (1904-1914), of the New York, New Haven & Hartford at New York, died at his home in New Haven, Conn., on December 29, 1945.

A. B. Wilson, superintendent of motive power of the Southern Pacific at Sacramento, Cal., whose death on December 16 was reported in the *Railway Age* of December 29, was born at Osawatomie, Kan., on April 3, 1888, and entered railroad service in 1905 as a machinist apprentice with the Missouri Pacific at Osawatomie. In 1911 he entered the service of the Southern Pacific as a machinist, and was promoted to enginehouse foreman at Albany, Ore., in 1912. From 1925 to 1931 he was assistant master mechanic successively at Oakland, Cal., Sparks, Nev., and Eugene, Ore. In November, 1931 he was promoted to master mechanic and served successively in that capacity at Brooklyn, Ore., and at San Francisco, Cal. In April, 1939 Mr. Wilson was further advanced to assistant superintendent of motive power, with headquarters at Sacramento, and served in that position until March, 1942, when he was promoted to superintendent of motive power at Sacramento, in which capacity he served until the time of his death.

Charles E. Barry, assistant freight traffic manager of the Chicago, Rock Island & Pacific at Chicago, whose death on December 26 was reported in the *Railway Age* of January 5, was born at Muskegon, Mich., on January 4, 1882, and received his higher education at Lewis Institute (now part of the Illinois Institute of Technology), Chicago. From 1900 to 1910 he was head of freight solicitation in Chicago for the Barry Transportation Company, Racine, Wis., and from 1910 to 1916 he was freight traffic solicitor for the Goodrich Steamship Line at Chicago. During the following year he was head of the freight traffic department of the Ocean Steamship Company at Chicago. From 1917 to 1920 he was in charge of freight solicitation for the Caldwell Shipping Company with the same headquarters. In 1920 he became western freight manager at Chicago for the United American Line (later merged with the Hamburg American Line) and served in that capacity for 20 years. On March 16, 1941, Mr. Barry was appointed manager of the foreign freight department of the Rock Island at Chicago, and on September 1, 1943, he was promoted to assistant freight traffic manager, in charge of import and export traffic at Chicago, the position he held at the time of his death.

Modernization *Pays*

The Great Northern converted fifteen 0-7 class locomotives to the 0-8 class; and ten additional 0-7 locomotives are to be converted.

These locomotives operate between Havre, Montana and Williston, N. D., a distance of 309 miles. They handle 4,500 tons westward and 6,200 tons eastward...which is *700 tons more* than the maximum capacity of the locomotives before they were modernized.

The modernized locomotives are equipped with Elesco small flue superheaters, Elesco exhaust steam injectors and American throttles.

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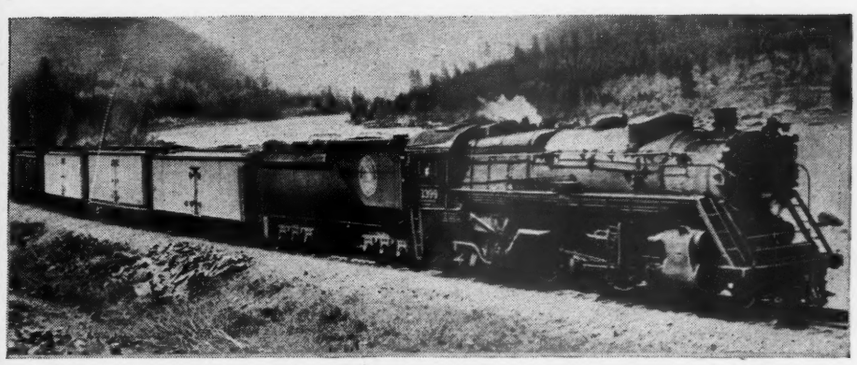

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Operating Revenues and Operating Expenses of Class I Steam Railways

(Switching and Terminal Companies Not Included)

FOR THE MONTH OF OCTOBER, 1945 AND 1944

Item	United States		Eastern District		Southern District		Western District	
	1945	1944	1945	1944	1945	1944	1945	1944
Miles of road operated at close of month	228,258	228,361	55,996	56,048	43,339	43,352	128,923	128,961
Revenues:								
Freight	$492,287,528	$611,588,845	$174,344,078	$226,952,218	$85,660,859	$111,630,980	$232,282,591	$273,005,647
Passenger	146,503,843	146,369,006	57,847,624	59,489,612	25,093,014	28,362,111	63,563,205	58,517,283
Mail	11,353,951	12,583,602	3,972,693	4,084,156	1,842,734	1,964,641	5,538,524	6,534,805
Express	12,297,970	13,644,818	3,712,513	4,211,201	1,884,338	1,795,531	6,701,119	7,638,086
All other operating revenues	34,548,062	34,116,628	14,490,130	14,854,303	5,147,351	5,077,186	14,910,581	14,185,139
Railway operating revenues	696,991,354	818,302,899	254,367,038	309,591,490	119,628,296	148,830,449	322,996,020	359,880,960
Expenses:								
Maintenance of way and structures	123,207,409	109,333,150	43,516,822	41,808,326	24,168,621	19,149,933	55,521,966	48,374,891
Depreciation	9,893,779	8,925,293	4,308,417	3,894,045	1,585,600	1,456,136	3,999,762	3,575,112
Retirements	2,139,945	2,955,010	856,433	754,280	205,818	371,902	1,077,694	1,828,828
Deferred maintenance	*455,711	*111,463	40,813	71,683	.....	.....	*496,524	*183,146
Amortization of defense projects	11,956,064	1,792,700	1,832,854	560,712	3,857,637	333,561	6,265,573	898,427
Equalization	*2,699,421	*1,804,927	*1,608,258	*1,301,786	*1,113,827	430,331	22,664	*933,472
All other	102,372,753	97,576,537	38,086,563	37,829,392	19,633,393	16,558,003	44,652,797	43,189,142
Maintenance of equipment	216,686,165	135,238,344	77,259,541	55,768,040	59,199,487	25,858,935	80,227,137	53,611,369
Depreciation	18,256,571	18,347,142	7,780,921	7,908,839	3,605,871	3,604,387	6,869,779	6,833,916
Retirements	*17,599	*10,364	*1,126	*7,338	1,173	68	*17,646	*3,094
Deferred maintenance and major repairs	*120,527	*55,789	*5,051	655	.....	.....	*115,476	*56,444
Amortization of defense projects	97,989,441	15,250,075	27,213,934	5,026,644	37,419,314	3,762,996	33,356,193	6,460,435
Equalization	*30,894	*74,033	*6,064	*25,563	53,538	*16,220	*78,368	*32,250
All other	100,609,173	101,781,313	42,276,927	42,864,803	18,119,591	18,507,704	40,212,655	40,408,806
Traffic	11,878,748	11,500,835	4,270,593	4,087,426	2,190,611	2,181,563	5,417,544	5,231,846
Transportation—Rail line	245,786,991	255,405,944	103,714,846	110,905,611	40,582,539	42,739,251	101,489,606	101,761,082
Transportation—Water line	2	55	.....	.....	.....	.....	2	55
Miscellaneous operations	10,886,389	9,955,925	4,008,068	3,623,069	1,536,483	1,570,576	5,341,838	4,762,280
General	18,206,657	17,525,338	7,523,997	7,179,464	3,424,574	3,259,361	7,258,086	7,086,513
Railway operating expenses	626,652,361	538,959,591	240,293,867	223,371,936	131,102,315	94,759,619	255,256,179	220,828,036
Net revenue from railway operations	70,338,993	279,343,308	14,073,171	86,219,554	*11,474,019	54,070,830	67,739,841	139,052,924
Railway tax accruals	2,770,368	164,119,470	*8,115,625	45,833,195	*13,374,943	35,500,014	24,260,936	82,786,261
Pay-roll taxes	18,957,929	19,594,995	7,806,848	8,203,152	3,280,784	3,356,271	7,870,297	8,035,572
Federal income taxes†	*35,506,557	119,222,791	*23,763,636	26,635,693	*20,564,236	27,300,026	8,821,315	65,287,072
All other taxes	19,318,996	25,301,684	7,841,163	10,994,350	3,908,509	4,843,717	7,569,324	9,463,617
Railway operating income	67,568,625	115,223,838	22,188,796	40,386,359	1,900,924	18,570,816	43,478,905	56,266,663
Equipment rents—Dr. balance	9,441,138	12,666,176	3,500,715	4,414,100	*905,488	176,983	6,845,911	8,075,093
Joint facility rent—Dr. balance	3,688,554	4,742,124	1,845,466	2,039,283	433,052	422,912	1,410,036	2,279,929
Net railway operating income	54,438,933	97,815,538	16,842,615	33,932,976	2,373,360	17,970,921	35,222,958	45,911,641
Ratio of expenses to revenues (per cent	89.9	65.9	94.5	72.2	109.6	63.7	79.0	61.4

FOR THE TEN MONTHS ENDED WITH OCTOBER, 1945 AND 1944

Item								
Miles of road operated at close of month	228,284	228,476	56,005	56,090	43,334	43,374	128,945	129,012
Revenues:								
Freight	$5,665,239,888	$5,853,047,687	$2,073,078,503	$2,247,470,796	$1,052,266,995	$1,111,201,437	$2,539,894,390	$2,494,375,454
Passenger	1,409,689,579	1,503,604,494	576,562,228	609,462,750	264,914,706	295,961,413	568,212,645	598,180,931
Mail	105,527,110	104,298,742	35,990,232	34,978,472	18,212,937	18,996,032	51,323,941	50,324,238
Express	125,260,265	120,303,481	35,816,026	39,332,972	17,942,068	17,794,973	71,502,171	63,175,536
All other operating revenues	318,029,947	313,636,328	137,740,718	135,213,503	44,298,197	43,653,945	135,991,032	134,768,880
Railway operating revenues‡	7,623,746,789	7,894,890,732	2,859,187,707	3,066,457,893	1,397,634,903	1,487,607,800	3,366,924,179	3,340,825,039
Expenses:								
Maintenance of way and structures	1,112,528,479	1,048,305,859	393,462,190	397,440,144	198,206,349	181,290,884	520,859,940	469,574,831
Depreciation	97,807,081	88,738,725	42,791,286	38,618,405	15,682,780	14,534,996	39,333,015	35,585,324
Retirements	10,708,622	14,264,685	2,475,582	4,463,618	1,466,694	1,748,981	6,766,346	8,052,086
Deferred maintenance	*3,133,399	*4,337,063	*606,238	*595,804	.....	.....	*2,527,161	*3,741,259
Amortization of defense projects	51,359,464	15,767,396	7,781,791	5,095,669	8,160,712	2,839,272	35,416,961	7,832,455
Equalization	9,653,953	5,238,448	2,621,056	*924,420	4,488,698	4,271,810	2,544,199	1,891,058
All other	946,132,758	928,633,668	338,398,713	350,782,676	168,407,465	157,895,825	439,326,580	419,955,167
Maintenance of equipment	1,534,430,970	1,320,068,265	578,964,018	552,949,578	298,453,912	248,106,308	657,013,040	519,012,379
Depreciation	179,862,932	178,683,784	76,003,513	75,543,333	35,925,053	35,771,427	67,934,366	67,369,024
Retirements	*83,123	*25,527	*69,126	*3,466	*58,556	*10,637	44,559	*11,424
Deferred maintenance and major repairs	*1,438,492	*1,160,872	*41,052	14,782	.....	.....	*1,397,440	*1,175,654
Amortization of defense projects	339,868,363	138,862,756	80,625,795	45,884,882	78,737,483	35,567,316	180,505,085	57,410,558
Equalization	70,997	20,363	*28,364	*2,996	16,716	5,893	82,645	17,466
All other	1,016,150,293	1,003,687,761	422,473,252	431,513,043	183,833,216	176,772,309	409,843,825	395,402,409
Traffic	118,167,974	111,861,183	42,341,263	40,372,832	22,211,367	20,355,067	53,615,344	51,133,284
Transportation—Rail line	2,499,631,288	2,453,612,185	1,093,533,732	1,089,462,820	420,423,677	415,027,663	985,673,879	949,121,702
Transportation—Water line	1,221	5,080	.....	.....	.....	.....	1,221	5,080
Miscellaneous operations	100,158,932	98,921,020	36,610,831	35,262,668	15,380,539	16,117,899	48,167,562	47,540,453
General	173,074,278	167,109,713	70,366,203	67,582,285	33,522,444	32,086,482	69,185,631	67,440,946
Railway operating expenses§	5,537,993,142	5,199,883,305	2,215,278,237	2,183,070,327	988,198,288	912,984,303	2,334,516,617	2,103,828,675
Net revenue from railway operations	2,085,753,647	2,695,007,427	643,909,470	883,387,566	409,436,615	574,623,497	1,032,407,562	1,236,996,364
Railway tax accruals	1,115,916,627	1,587,039,516	284,425,016	469,669,283	246,686,694	367,903,588	584,804,917	749,466,645
Pay-roll taxes	193,357,260	192,845,689	80,187,996	81,281,969	33,462,212	33,487,456	79,707,052	78,076,264
Federal income taxes†	671,604,242	1,136,902,051	94,170,739	275,289,638	164,762,395	283,878,117	412,671,108	577,734,296
All other taxes	250,955,125	257,291,776	110,066,281	113,097,676	48,462,087	50,538,015	92,426,757	93,656,085
Railway operating income§	969,837,020	1,107,967,911	359,484,454	413,718,283	162,749,921	206,719,909	447,602,645	487,529,719
Equipment rents—Dr. balance	114,614,635	128,581,540	49,601,941	55,410,678	*2,546,446	5,133,841	67,559,140	68,037,021
Joint facility rent—Dr. balance	35,239,064	39,464,798	17,672,327	18,432,757	3,921,431	4,234,519	13,645,306	16,797,522
Net railway operating income	819,983,321	939,921,573	292,210,186	339,784,848	161,374,936	197,351,549	366,398,199	402,695,176
Ratio of expenses to revenues (per cent	72.6	65.9	77.5	71.2	70.7	61.4	69.3	63.0

* Decrease, deficit, or other reverse items.

† Includes income tax, surtax, and excess-profits tax.

‡ Railway operating revenues are after deduction of $37,936,792 for the ten months ended with October 1945 and $38,119,116 for the ten months ended with October 1944 to create a reserve for land grant deductions in dispute.

§ A number of carriers included in their accounts for the period charges to operating expenses in excess of normal accruals and credits to railway tax accruals as a result of the shortened period of amortization of defense projects. The amounts reported were as follows: Amortization of defense projects, $201,656,519; road, $30,396,831; equipment, $171,259,688; tax credit, $148,656,429.

Compiled by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission. Subject to revision.